# HEARING ON H.R. 3247, REAUTHORIZATION OF THE NATIVE AMERICAN PROGRAMS ACT

## HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

## COMMITTEE ON EDUCATION AND LABOR
## HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

ON

**H.R. 3247**

HEARING HELD IN WASHINGTON, DC, SEPTEMBER 12, 1985

**Serial No. 99-81**

Printed for the use of the Committee on Education and Labor

U.S. GOVERNMENT PRINTING OFFICE

54-383 O WASHINGTON : 1986

H341-54

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# H.R. 3247, REAUTHORIZATION OF THE NATIVE AMERICAN PROGRAMS ACT

THURSDAY, SEPTEMBER 12, 1985

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HUMAN RESOURCES,
COMMITTEE ON EDUCATION AND LABOR,
*Washington, DC.*

The subcommittee met, pursuant to call, at 10 a.m., in room 2257, Rayburn House Office Building, Hon. Dale E. Kildee (chairman of the subcommittee) presiding.

Members present: Representatives Kildee, Tauke, Bruce, and Jeffords (ex officio).

Staff present: Susan Wilhelm, staff director; Thomas Kelley, subcommittee clerk; S. Jefferson MacFarland, counsel; Carol Lamb, minority legislative associate; Mark Powden.

[Text of H.R. 3247 follows:]

99TH CONGRESS
1ST SESSION

# H. R. 3247

To amend the Native American Programs Act of 1974 to authorize appropriations for fiscal years 1987 through 1990.

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 1985

Mr. KILDEE introduced the following bill; which was referred to the Committee on Education and Labor

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# A BILL

To amend the Native American Programs Act of 1974 to authorize appropriations for fiscal years 1987 through 1990.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 814(a) of the Native American Programs Act of 1974 (42 U.S.C. 2992d(a)) is amended by striking out "1986" and inserting in lieu thereof "1990".

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Mr. KILDEE. Good morning. The subcommittee will come to order.

I have often stated that the U.S. Government has a moral, legal and treaty obligation to Native Americans, of this country.

I think very often the Congress has not very well understood the moral, legal, and treaty obligations. Many of our programs exist because it is a good idea, good public policy. But many of our programs for Indians are based on even stronger ties than just good public policy.

When I talk about education programs I always state the fact that we should go down to the National Archives here in Washington, DC, and read the treaties which we have made with the Indian tribes and nations of this country.

One of the things that the U.S. Government in almost every case promised in return for the exchange of millions of acres of land that very often was given quite unwillingly, was education.

Now, while this is not directed to education, I point out that if any group of Americans have a claim to the Federal Government's concern, that claim of the Indians is well rooted in our history and in the treaties and in our actions for the Indians of this country.

I hold that to be an extremely important principle as we address any program dealing with the Native Americans of this country. I share, as a Member of Congress, in the U.S. Government's responsibility to make sure these obligations are carried out.

I regret this morning that Lynn Engles, Commissioner of the Administration for Native Americans, cannot be with us. He has submitted a statement which will be included in the record. While that statement in no way can compensate for his failure to appear, it will be perhaps used as a basis for further questions of Mr. Engles in some forum other than this one, which he chose not to attend.

[The prepared statement of William Engles follows.]

PREPARED STATEMENT OF WILLIAM LYNN ENGLES, COMMISSIONER, ADMINISTRATION FOR NATIVE AMERICANS, OFFICE OF HUMAN DEVELOPMENT SERVICES

Mr. Chairman and members of the committee, thank you for the opportunity to present an overview of the work of the Administration for Native Americans.

The Native American Programs Act promotes self-sufficiency for American Indians, Alaskan Natives, and Native Hawaiians by encouraging local strategies in social and economic development. Self-sufficiency is defined as the level of development at which a Native American community can control and internally generate resources to provide for the needs of its members and meet its own short and long range social and economic goals. We consider social and economic underdevelopment to be the paramount obstacle to the self-sufficiency of Native American communities and families. Social and economic underdevelopment contributes to high unemployment, high school drop out rates, poor health and other problems which affect Native Americans to a greater degree than almost any other population group. The lack of a strong diversified economic base has made Native American communities especially dependent on federally-designed, federally-funded and federally-operated programs.

The Administration for Native Americans programs and policies foster a balanced developmental approach at the community level through three major goals.

(1) To develop or strengthen tribal governments, Native American institutions and local leadership to assure local control over all resources;

(2) To foster the development of stable, diversified local economies to provide jobs and reduce dependency on social services; and

(3) To support local access to, and coordination of, services and programs which safeguard the health and well-being of Native Americans.

These goals are based on the premise that the local Native American community has the primary responsibility for determining its own needs, for planning and im-

plementing its own programs and for building an economic base from its own natural, physical, and human resources.

The Administration for Native Americans' funding policy is to assist Indian Tribes and Native American organizations to plan and implement their own long-term strategies for social and economic development. This funding approach moves the focus from increasing dependency on social services to increasing productivity of both individuals and communities. This policy supports a competitive review process for awarding grants for governmental and social and economic development projects. Reviewers for competitive awards are drawn from Tribes, other Native American organizations, business, and the academic community. Successful applications are evaluated on their merits as reviewed against published criteria.

There is evidence that the social and economic development strategies approach supported by the Administration for Native Americans is having a positive impact. For example, an evaluation by the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services, found that with our financial assistance grants, tribal and community grantees have become more results oriented. They have identified, with considerable specificity, events and milestones critical to their futures. The evaluation also noted some of the successes already realized by Native American grantees. These included establishment of commercial enterprises and financial institutions, and improved management and profitability of natural resource development.

A more recent evaluation study conducted by the Office of Human Development Services examines the impact of our dollars invested in social and economic development projects. The evaluation demonstrated that the payoff ratio ranged from $3 to $43 for each Federal dollar invested. The evaluation suggests that projects funded by the Administration for Native Americans are cost effective, and are making progress in overcoming longstanding and acute social problems.

This approach has helped Tribes and Indian communities put people to work in nonsubsidized employment. It has brought about private sector participation in the reservations and with urban Indian communities as well. Within the next 2 weeks, the Administration for Native Americans will be sponsoring a landmark conference on social and economic development for urban and off-reservation communities. The conference will provide a forum for assessing and sharing Native American development experiences; we will focus on those with public/private sector support. This conference will be the first major step in building for national Native American commerce advocacy.

The overall policy of funding social and economic development strategies allows maximum local flexibility for self-determination and provides for marshalling and directing Federal, State, local, tribal, or organizational resources toward local objectives while avoiding duplication in funding and programs. The focus is on the greatest impact on social and economic self-sufficiency.

Some specific projects and program accomplishments can be stated. Here are a number of examples:

During fiscal year 1984, the annual total of new jobs for Native Americans resulting from our projects was 11,165.

A total of 601 Indian and Native Hawaiian businesses were started or expanded.

The governmental functions of 44 tribes were strengthened through the enactment of codes involving businesses and commerce, taxes and environmental protection. In addition, 13 tribes initiated new tax collection and management systems, including reservation income taxes and user taxes such as hunting and fishing licenses.

Projects involving tribal energy resources resulted in $52,000,000 in increased income.

In fiscal year 1984, ANA continued to support the work of the Council of Energy Resource Tribes [CERT], a non-profit Indian organization made up of 40 Indian tribes with substantial energy and other natural resources, such as oil, coal, natural gas, uranium, oil shale, geothermal, and alternate energy resources. CERT has made a major commitment to tribal self-sufficiency as part of a 5-year plan which was drawn up in 1980. CERT has completed 49 reports of significance to tribal development: oil and gas management; uranium management; coal management; environmental protection; and national issues or other specialized energy resources.

ANA awarded 15 Alaska grants totaling $1.5 million in fiscal year 1984 and 18 grants totaling $1.3 million in fiscal year 1985. These Alaska Native village and nonprofit Regional Corporation projects cover a variety of areas that create permanent unsubsidized jobs, increase village control over their own resources and improve the general well-being of community members.

During fiscal year 1985 ANA negotiated and planned, in cooperation with the Administration for Children, Youth and Families [ACYF], the first joint program announcement of the Office of Human Development Services [HDS] and the Bureau of Indian Affairs [BIA] to improve child welfare services to Indian children and their families. The HDS announcement specifically stated among its purposes "the development of Tribal and Indian organizations to more appropriately address Indian social services needs."

ANA has requested $27.3 million for financial assistance grants in fiscal year 1986 to further enhance Native American social and economic development strategies. The emphasis will continue to be on fostering the development of stable, diversified local economies, strengthening tribal governments and Native American institutions, and supporting local access to services which safeguard health and well-being and which are essential to a thriving and self-sufficient community.

The Administration for Native Americans will very shortly publish a major report reviewing the history and accomplishments of the program to date. The report will contain details about a number of the projects underway by program grantees. I will be submitting copies to the committee as soon as it is available.

I appreciate the opportunity to present this statement to the committee.

Mr. KILDEE. You might detect that I am real disappointed in Mr. Engles singular lack of cooperation. I don't usually say that but I expect people to cooperate with the Congress of the United States in every instance, particularly to cooperate with the Congress of the United States when we are dealing with people who have been left out of full participation in the American plan, in the American Nation.

I would also like to note for the record that the witness from Genesee Valley Indian Center is also unable to attend, though not because of her unwillingness to cooperate with this committee.

This subcommittee was informed late yesterday afternoon that even though the Genesee Valley Indian Center has a written request from me to testify so that we can have oversight on this program and hopefully improve this program so that we can better serve the Indians of this country, and particularly the Indians that she serves in my area, she was informed yesterday by the Administration for Native Americans that the use of project funds to testify before the subcommittee could be considered lobbying and therefore would not be an allowable activity.

Not only has Mr. Engles refused to come but he has tried to gag other people from testifying before this committee. I personally find this indefensible.

Now, no one knows more than I the concern that every dollar possible be used for program purposes. I recognize that principle. But I think testifying before a committee of the Congress at the request of the Congress is not lobbying. It is an essential part of a governmental action of the United States.

And as a Member of Congress who jealously guards the prerogatives of this branch of Government, I shall continuously pursue those who would try to interfere with other people testifying before this body so we can make programs work better.

In my written questions to the Commissioner, who is not here this morning, I will also include a request for a legal citation giving the AIA authority to make such a determination to gag someone out in the field.

I welcome those witnesses who are able to testify this morning.

The first panel will consist of representatives of national Indian organizations, and I certainly appreciate their participation.

They are Suzan Harjo, executive director of the National Congress of American Indians, and Gregory W. Frazier, chief executive, National Urban Indian Council.

Your entire written statements will be included in the record of this hearing and you may summarize as you wish. We will begin with Ms. Harjo. Thank you very much for being here this morning.

**STATEMENT OF SUZAN HARJO, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS, WASHINGTON, DC; AND GREGORY W. FRAZIER, CHIEF EXECUTIVE, NATIONAL URBAN INDIAN COUNCIL, DENVER, CO**

Ms. HARJO. That was a refreshingly candid opening statement, and as usual, Congressman, you bring us the truth, and we really appreciate that beyond your cordiality, both of which are not often accorded Indians in Congress, even though the Constitution directs Indians to deal directly with Congress. And in effect, and no one has ever proved this or given me any cite to the contrary, when Indians address Congress or work with Congress toward tribal ends, then Indians are acting in accordance with the Constitution and are not, in effect, lobbying.

I did ask some years ago, when I was a lobbyist for the Native American Rights, one of the House offices—I believe it was the Speaker's office—if we were correct in that assumption, and the Speaker's office agreed with us, although it was a verbal agreement and not a written agreement. And I think this would be an interesting question, just as a general matter, to clarify because Federal agencies often use intimidation tactics against Indian leaders, Indian individuals who wish to testify. And the threat of pulling money away from them is a very serious threat, and I think that oftentimes Federal agencies or the agents of the trust of the United States misperceive Indian people and think that they are somehow covered by the Hatch Act as Federal employees or agents of the United States, and that is not the situation, as you well know.

I wanted to say that before going on with our purpose for the hearing here today and expressing NCAI's full support for H.R. 3247.

The National Congress, as you know, is the oldest and largest national Indian organization and we are having our 42d annual convention coming up in Tulsa, OK, in October, and we have invited you as a speaker and we hope that the legislative calendar will allow you to come out.

I am Cheyenne and Creek from Oklahoma and I am the executive director of the National Congress of American Indians.

This is not a controversial bill and as I have said we strongly support the reauthorization of the administration for Native Americans. It does good things. You have our full testimony which tells you precisely why we think so. We think that there is a great need for AIA funds to give tribes the flexibility to fill in the gaps, particularly in those programmatic areas that have been zeroed out and eliminated by the current administration over its two terms.

One area that we do highlight is the development of environmental plans and codes. The Judicial Services Office in the BIA has

been eliminated, and that was an office that assisted tribes to develop these environmental plans and codes and they are greatly needed.

As you know, the Safe Drinking Water Act, the Superfund Clean Air Act, Clean Water Act, have not included Indians. We are working to get Indians included in those acts and Indian people and tribes really need the kinds of services that that office in the BIA used to provide. That is currently provided through ANA funds and that is a valuable purpose, a valuable function of those funds and it is in keeping with the purpose of ANA.

The service of ANA to the nonfederally recognized tribes we feel is essentially, too, and does create some consistency in federal Indian policy that we often see lacking.

There was some inconsistency when the administration was trying to zero out ANA funds. Happily that situation is over. But with the Bureau of Indian Affairs' effort to determine which of the nonfederally recognized tribes actually should be recognized or acknowledged, the ANA provides those nonfederally recognized tribes with the means to get through that period until such time that they are recognized or not recognized. And we think that is a valuable purpose of ANA funds and creates some measure of good government in our field.

I should say for this record that NCAI yesterday received our third rejection of what we feel is a wonderful program from ANA, and so we are certainly not here lobbying on ANA's money and we are making this statement as the National Congress of American Indians, which is a membership organization supported by our tribal and individual dues and private donations, and not as the NCAI fund which has received certain Federal money as well as private foundation funds.

That really concludes my statement. And just to reiterate, we have no objection to the reauthorization of ANA. It is a good program, valuable program, should continue. This bill should go through and I hope that Mr. Engles absence here doesn't portend anything negative in the upcoming appropriations process within the administration and is simply a scheduling problem.

Unless you have anything to ask me, that is all I have to say.

[The prepared statement of Suzan Harjo follows:]

PREPARED STATEMENT OF SUZAN SHOWN HARJO, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. Chairman and Members of the Subcommittee, thank you for holding this hearing on H.R. 3247, legislation reauthorizing the Administration for Native Americans for fiscal years 1987 through 1990. The National Congress of American Indians (NCAI) is the nation's oldest and largest national membership organization serving American Indian and Alaska Native governments and people, and we include in our membership many of the same constituencies as are served by the Administration for Native Americans—federally recognized tribes, non-federally recognized tribes and urban Indian organizations.

There does not appear to be much controversy surrounding the reauthorization of the Administration for Native Americans. We have put behind us, fortunately, the now-abandoned Administration proposals that ANA be transferred to the Bureau of Indian Affairs and that urban organizations and non-federally recognized tribes be excluded from ANA eligibility. The Administration has not proposed to make huge cuts in ANA appropriations, but has proposed FY' 86 funding of $27.3 million, down from $29 million in FY'85. We are disappointed that the Administration is not at

this hearing today, and trust that their absence is due to scheduling problems and not one of lack of commitment to ANA reauthorization.

NCAI strongly supports the reauthorization of ANA. ANA serves constituencies and purposes not duplicated by other agencies. One example of ANA's importance is their grants to tribes to develop various types of codes, i.e., business, environmental and judicial. One of the best defenses tribal governments have against state and federal violations against their sovereignty is to have well developed codes. We constantly see proposals which would encroach on tribal sovereignty, i.e., efforts to undermine treaty hunting and fishing rights as evidenced by the recent unsuccessful proposal to bring tribes under the Endangered Species Act, Wisconsin's actions designed to regulate tribal hunting, and states' opposition to tribal gaming operations. Lack of tribal regulations make tribes more vulnerable to these types of assults on self-government. The Bureau of Indian Affairs' Judicial Services office used to assist tribes in the development of codes, but elimination of all the Area Judicial Services offices has effectively eliminated this assistance. This makes ANA's role in this area critical.

There is an increasing need for tribes to develop environmental plans and codes, and this is an area where ANA must continue to be of assistance. As you my know, tribal governments have been ignored in major environmental legislation—Clean Water Act, Safe Drinking Water Act, Superfund and Clean Air Act. Because states, in most cases, do not have jurisdiction in Indian country, people living on the approximately 50 million acres of Indian land are not afforded the protection or benefits of these laws. Indian tribes have had no authority to apply for grants and technical assistance under those laws in order to do the environmental assessments and take other actions so that they can be adequately involved in protecting their environments and natural resources.

The Clean Water, Safe Drinking Water and Superfund laws are being reauthorized this year. NCAI, the Navajo Nation Office and others have been active in these reauthorizations in getting the laws amended to include tribal governments. We have met with considerable success. Conferees will soon meet on the Clean Water and Safe Drinking Water legislation. In all likelihood these new laws will, among other things, allow tribes to regulate their own drinking water and other water resources, will require surveys of drinking water and sewage treatment systems, and will allow tribes to nominate sites for Superfund cleanup and enter into agreements to clean up toxic waste sites. ANA's ability to make grants to tribes for the development of regulatory codes will be very important to tribes' abilities to take advantage of the new provisons in the Clean Water, Safe Drinking Water and Superfund laws. Next year, the Clean Air Act will hopefully be reauthorized, and efforts will be made to include Indian language in that Act. Development of codes dealing with natural resources are an integral part of strengthened tribal governments, one of the objectives of the Administration for Native Americans.

We would like to make note of the importance to non-federally recognized tribes of ANA grants. Non-federally recognized tribes have very few resources. For those tribes attempting to gain federal recognition, the process is very detailed and time-consuming and ANA grants to assist in this endeavor are crucial.

The June, 1985 Social and Economics Development Strategies (SEDS) report published by ANA notes that they have undertaken a joint effort with the Administration for Children, Youth and Families to improve child welfare services to Indian children and their families. There needs to be more coordinated efforts among various tribal, federal, state and private programs. There is often talk, but little action or followthrough on these cooperative efforts. We commend ANA for this undertaking, and are eager to see the outcome of the new cooperative endeavor.

Finally, we would like to comment on the lack of an appeal process within ANA. Last year's House committee report (98-740) regarding ANA reauthorization requested ANA to develop within six months a manual regarding an appeal process. This has not been done, and we feel the Subcommittee should pursue this with ANA. And you know there has been, over the years, considerable complaint about the lack of an ANA appeal process for new grant applicants. And the appeal process for applicants who are current ANA grantees is not a very effective one, as the appeal is basically to the Commissioner. The fact that ANA now awards funds three times a year, and that applicants are encouraged to reapply in the next funding cycle may alleviate some pressure for appeals. This does not, however, take the place of an appeal. If an applicant feels he or she has a very good application which fits ANA criteria and advice, and the application is denied, there should be a written appeal process which can be followed.

On the issue of encouraging applicants whose proposals have been denied to reapply, we commend ANA for its increased efforts in providing assistance in developing

applications. There have been number of workshops to assist applicants, and I understand that ANA will hold another workshop soon for urban Indian applicants, another constituency for whom ANA is an important resource.

Again, Mr. Chairman, thank you for giving us this opportunity to comment on the reauthorization of the Administration for Native Americans. We very strongly support ANA and urge its reauthorization. I understand that the legislation will not be marked up until the next session of Congress and the National Congress of American Indians may provide the subcommittee with additional comments prior to the markup of H.R. 3247.

Mr. KILDEE. OK. I am sure we will come back to you for some questions after we hear the testimony of Mr. Frazier.

Really, it is good to have a real nice person as your ranking minority member who can overlook being ignored. Tom Tauke from Iowa is just that type of person. And Tom, I ignored you this morning.

Mr. TAUKE. There are times when it is very pleasant to be ignored.

I do want to thank you, Mr. Chairman, first of all, for having this hearing. I know that there have been some—including perhaps our absent witness—who have been concerned because of the early time at which you have scheduled this hearing.

My own view is that we need to be working now on the 1987 authorization bills if we are going to get ahead of the game and put our authorization bills out there before the appropriations committees begin their work. And so, I commend you for calling the hearing, the timing of it, and your early initiative in this area. I, too, regret that we don't have a full complement of witnesses here this morning. Perhaps that can be remedied sometime in the not too distant future.

And along with the chairman, I welcome both of you, and I don't want to delay your testimony any longer.

Mr. KILDEE. Thank you, Mr. Tauke.

We also have the privilege of having with us this morning to observe a staff person from the mother of parliaments, the Parliaments of United Kingdom. Angela Coode is here this morning to observe. Welcome, Angela, glad to have you here.

Ms. COODE. Thank you. It is a pleasure to be here.

Mr. KILDEE. OK. Mr. Frazier.

Mr. FRAZIER. Mr. Chairman, member of the committee from the great State of Iowa, my name is Gregory W. Frazier and I am the chief executive of the National Urban Indian Council. In deference to my associate, I am a Crow Indian from the great State of Montana, cultural center of the universe.

Ms. HARJO. That does take a lot of deference. [Laughter.]

Mr. FRAZIER. I am going to defer the reading of my testimony. Our points are set forth therein.

I would like to just summarize some of the key points within that particular testimony, if the testimony will be reflected in the record.

First, our corporation is a representative group of off reservation Indian organizations and off reservation individuals from throughout the United States.

Three times I have appeared before this particular committee with respect to this particular piece of legislation, and on the prior

two occasions we have asked for some things that we are going to ask for again.

First, however, I would like to say that we are in favor of reauthorizing the enabling legislation.

However, as before, we strongly recommend that it just not be rolled over. Frankly, to roll over the legislation, we think, is another license to steal over there in the administration for Native Americans.

To support that particular allegation I would like to cite from Mr. Engles' prior testimony, which was made before this committee last year, wherein on the Senate side he indicated that they had no intention of phasing out the off reservation or the urban grant programs, which was one of our recommendations, that the legislation set some minimum level for that 50-percent of the total Indian population in the country.

At that point in time he submitted that 13 percent of their overall budget went to the off reservation constituency.

This year, after an analysis of the materials that you received, we were able to determine that approximately 6.9 percent of their total budget went to the off reservation community.

So, yes, they maintained their constituency, as he said, but they have maintained it at a 50-percent level over the prior year or less than 7 percent of their total budget to support 50 percent of the total off reservation population.

I heard last year Mr. Engles—well, the department, I think it was, that testified as to other recommendations that were being considered with respect to reauthorization. At the time the concern was that the Administration for Native Americans was being considered for transfer to the Bureau of Indian Affairs, and one of the recommendations that we made was that legislatively that be clearly defined not to be the intent of Congress.

During the testimony presented by the Administration for Native Americans they basically said we don't think that wording or section is needed in the law, trust us, Congress, we will take care of our constituency, we will not transfer our program administration from HHS to Bureau of Indian Affairs.

I would argue that you can't trust them. If they weren't able to get to the Bureau of Indian Affairs, I think they have tried to run it like the Bureau of Indian Affairs. The attitude, Mr. Congressman, that you received with respect to testimony before this committee, I think, is reflective of the attitude that exists over there in that particular office.

We and one of our Congressmen asked some inquiries with respect to a couple of grant programs. The response that we received was that no Congressman is going to tell us how to run ANA. And they are right. The legislation that they have got is a pretty open ticket.

With respect to that, they come to you each year, ask for money, say trust us, we will take care of the off reservation constituency, we will be fair, we will be equitable, we will maintain our constituency base, and a year later you can't even get them to come over and tell you what they have done in the last 12 months.

I am not even sure that the agency head is—last year I think he testified—and this is a quote—before this committee: "I enjoy working in the Department of Health and Human Services."

This year, based upon articles I read in newspapers like the Navajo Times, that commissioner is spending an awful lot of time trying to work over at the Department of the Interior as Assistant Secretary for the Bureau of Indian Affairs.

We contend that business should be addressed at home, that the agency should be held accountable for what you guys send to them in the way of legislation and money, and that less time be spent on pursuing careers outside of the administrative for Native Americans by those that are charged with the responsibility of managing it.

One of the points you will find in our testimony is that while we think the agency conceptually and the legislation is sound in its basis, without rejection from Congress its implementation has become poor. Management of that particular legislation is subject to an awful lot of discretion, and the recommendations that we have made is to confine some of that discretion so that Congress, at least from out standpoint and the taxpayers' standpoint, is getting a good return on the limited buck that it is sending over there.

Our recommendations basically say that we think, first, there should be some congressional oversight on what happens with that particular legislation and the money that goes to that agency before dollars are dished out for year two, year three.

Second, that awards made to grantees should be set up on some minimum funding cycle, not just 1 year at a time. They expect you in your proposals to write 3-year, 5-year operational plans that will show some uplifting of your local community, and yet they only fund you 1 year at a time. So that your first year is really spent trying to figure out how you are going to get money for year two, and not spent addressing the things that you proposed to have done to get your money. You find yourself in a catch-22 situation at the end of 1 year. You really haven't been able to accomplish that much and subsequently make a poor show of it in your refunding proposal.

The third recommendation would be to establish—and we have done this before and will again recommend that minimally the committee report reflect that there be some establishment of a nonsubjective evaluation for evaluating the review process for the applications that are submitted to ANA.

We constantly are advised of the subjective analysis that is applied to the grant applications.

Fourth, we would recommend that the position of commissioner be changed to one of a civil service status and not a political appointee. The agency is not that big.

DINAP over in the Department of Labor programs that runs the Indian job programs has twice the budget and seems to limp by with a bureaucrat rather than a political appointee.

Fifth, we recommend that there be reinstated an appeals process for those grant applicants that do not receive funding. Right now there is none.

Mr. Kildee, as you know, under title 4 programs if you are not funded you have got some appellate review of why you weren't

funded. And ANA, because of the discretionary nature of the program, the appeals process is basically nil.

Sixth, we recommend that the awards or grants be made on some formula basis with a minimum level, say $75,000 per grantee. To throw less than that to a grantee that is required to compete in a process with projects that, say, receive $750,000, that are expected to put ~~forth~~ plans that are competitive in that review process, funding them at a lesser level is not going to return much of a payback on the dollar.

Seventh, we do not have now and we recommend that the legislation authorize it and specifically cite it as a need some form of technical assistance, not only to the existing grant programs but to those that do not have grant programs that would like to pursue community pursuits along the ANA nature.

Eighth, we have recommended again a level of funding for the ANA programs. We further recommend that that be tied into some economic index factor so that it grows as the economy inflates, et cetera.

We have gone backward in time over the last 10, 12 years from a high of $33.8 million down to our $22 million or whatever it is now. And the demand for it increases and inflation increases, and yet the dollar amount or the basis continues to fall backward.

That generally concludes my testimony.

In summary, we would like to see the legislation reauthorized. We think that it is time to take a hard look and not believe what the administration tells us taxpayers and those of you that authorize legislation that they can be trusted. I just haven't seen it practiced in the past. I have watched now four or five commissioners come and go in that office.

The only salvation that the off reservation grant programs with respect to equity are ever going to see is when somebody up here tells them what they have to do with the money.

The attitudinal problems of the agency, I think, are reflective of where their priorities are.

If, Mr. Chairman, you would like to work on remedying some of those problems, I will be more than glad to work with you on either side of the aisle.

[The prepared statement of Gregory Frazier follows:]

PREPARED STATEMENT OF GREGORY FRAZIER, ON BEHALF OF THE NATIONAL URBAN INDIAN COUNCIL

Chairman Kildee, members of the Subcommittee, we would like to thank you for this opportunity to testify before the Subcommittee on Human Resources concerning the reauthorization of the Native American Programs Act. This legislation, which authorizes the programs administered by the Administration for Native Americans, is very important to off-reservation American Indian and Alaska Native communities, and we are very appreciative of your continued interest and support of the legislation. Before I begin my remarks concerning the Act, I would like to take a few minutes to tell you a little bit about the National Urban Indian Council and its history.

The National Urban Indian Council was founded in 1979 by and for off-reservation American Indian and Alaska Native people. Our organization was born out of frustration with the lack of attention and support given to our concerns by the federal government and other representative Indian organizations. At that time, urban Indian issues were not dealt with effectively by any branch of the government, and few federal agencies. The position of most is that an Indian is only an Indian so long as he/she resides within reservation boundaries. This is an absurd assumption

which legislative initiatives, administrative policies, and judicial findings have proved to be false.

Today, over one-half of the total American Indian and Alaska Native population resides in off-reservation, rural and urban areas; and yet there are only a handful of resources available to meet the federal responsibilities to them. The Administration for Native Americans has been and continues to be one of the primary resources for our constituency; and the National Urban Indian Council is pleased to present testimony today before the House Subcommittee on Human Resources concerning the reauthorization of the Native American Programs Act, ANA's authorizing legislation.

As others have indicated, the programs supported by the Administration for Native Americans have been a success. The National Urban Indian Council, through the conduct of surveys, found that off-reservation rural and urban grantees have utilized ANA's resources to generate additional funding for their communities, increased employment and housing opportunities, and generally improved the social and economic self-sufficiency of American Indians and Alaska Natives. ANA is one of the only sources of innovative and creative funding for Native American communities, and as such, should be maintained.

However, it would seem, particularly in recent years, that all the good that the agency has accomplished is in spite of the fact that ANA is grossly mismanaged. While it would be easy to present to this Subcommittee a litany of "horror stories" detailing examples of staff and administrative abuses, we cannot, in all fairness, place all the blame on the Administration for the current state of affairs at ANA. To their credit, this Administration placed ANA in the hands of their brightest and best Indian party members. Unfortunately for Indian Country, these persons have not been up to the job. However, with all due respect to this Subcommittee and its members, we must insist that some of the blame be shouldered by the Congress of the United States who have not heard or not been responsive to the message that Indian Country has been sending concerning this agency.

What message is Indian Country sending to Congress concerning ANA? NUIC has been vigilant in watching the agency since it was last reauthorized. In addition, the Council, in recent weeks, has solicited the anonomous input of present and former ANA grantees and staff in the development of this testimony presented today. NUIC's findings have been summarized and are expressed in the following recommendations concerning the reauthorization of the Native American Programs Act:

(1) Perhaps the most consistent complaint concerning ANA that we have heard is that the agency has become more and more politicized, arbitrary and capricious in the award or grants. While ANA is a discretionary grant program, there seem to be few if any guidelines by which decisions are made. If ANA is to once again become a viable federal agency which is respected for its integrity, Congress must take a more active role in the development of its funding policies and criteria. Some of the specific ways in which the discretionary abuses might be curbed include:

Removing the position of the Commissioner from political appointee to civil service.

Establishing a Congressionally mandated oversight committee to review all policy changes and grant awards, similar to the Department of Education's National Advisory Council on Indian Education.

Setting award cycles for successful grantees at a minimum of 3 years to provide continuity and a realistic time frame to achieve community goals.

Requiring that all policy changes and new funding directions be reviewed and approved by Congress or the aforementioned proposed advisory group.

Having all grant awards ranked and graded according to some computer assisted evaluation tool, similar to that employed by the Department of Education.

Reinstating the appeal process for unsuccessful applicants in order to reduce the probability of applicants being denied funding based on un-published evaluation criteria.

(2) The second issue that the National Urban Indian Council would like to see addressed by Congress is the disproportionate amount of ANA resources going to urban and off-reservation communities. The Council has been before this Subcommittee and its counterpart in the Senate on many occasions. Each time we have advocated for additional resources for off-reservation communities. With the exception of this hearing, at which the present Administration has chosen not to appear, all previous hearings have been attended by ANA officials who solemnly promise to devote more resources to urban and rural grantees. And just as certain, each new fiscal year brings another decrease in the total amount of ANA monies going to these off-reservation communities. This is despite the fact that, as we stated in the

introduction to our testimony, over 50% of the American Indian and Alaska Native population resides off the reservation in rural and urban areas. In testimony presented to this Subcommittee in March of 1984, NUIC estimated that approximately 15.7% of ANA resources were going to off-reservation areas. Today, based on data provided by ANA, that figure has decreased to 6.9%. Again, the present Administration cannot be solely held responsible for this shocking development. Since 1980 the overall percentage of ANA's budget flowing to urban and rural communities, as well as the absolute number of urban grantees, has declined drastically. Each time Congress holds hearings various Administration's are queried as to their plans to rectify this situation. And each time they promise that they will "do something". NUIC cannot accept the position that urban grantees simply don't submit competitive proposals as the present Administration has stated. Further, we believe that fault lies with inconsistent and misapplied funding policies, coupled with a panel review process that is a farce at best. We can no longer believe that any Administration, regardless of their "political persuasion", can alter this unfair and disproportionate funding allocation. Congress must act by setting minimum funding levels for each of ANA's four constituencies, federally recognized Indian Tribes and Alaska Natives, urban and rural organizations, non-federally recognized Indian tribes, and Native Hawaiians in accordance with their respective populations. In addition to this specific proposal, others that NUIC has received are as follows:

Awarding grants to tribes and organizations on a formula basis in accordance to population.

Setting minimum funding levels ($75,000) for grantees.

Providing qualitative training and technical assistance (i.e. outside the agency) for current and potential urban grantees.

The final issue which the National Urban Indian Council would address is that of ANA's overall funding level. Since 1978, ANA's budget has remained relatively constant. This is despite the fact that the country, in general has suffered from rampant inflation during many of the interim years. To compensate for this discrepancy, NUIC recommends that any future version of the Native American Programs Act include a minimum funding level for the agency that is at least $60 million, with future years' increases tied to some economic indicator, such as the rate of inflation, average increase in the federal budget, etc. This action would restore ANA to its original level of effort, as well as allow it to more adequately address the needs of its constituency. Whether or not the Subcommittee on Human Resources accepts the National Urban Indian Council's suggestion for funding levels is not as important as is action to maintain the agency at some appropriations floor. We strongly urge you to consider setting a minimum level of funding for ANA in its authorizing legislation, and link its growth to an acceptable economic indicator.

as members of this Subcommittee are well aware, political realities can often times wear down even the most seasoned veteran, particularly when one sees an agency, like ANA, become weakened and misguided. However, the National Urban Indian Council continues to be a strong advocate for and harsh critic of the Administration for Native Americans in due season. It is our role and responsibility to our constituency. It is no secret that ANA has problems. But these can be rectified by a Congress willing to act. ANA was once a valuable resource for Indian communities nationwide, and can once again return to its previous stature as an innovative and effective source of funding. For its part, NUIC stands ready and willing to work with Congress to restore ANA to a responsive and responsible agency.

This concludes the National Urban Indian Council's formal testimony before the House Subcommittee on Human Resources. We would like to thank the members of the Subcommittee for this opportunity, and indicate our interest in providing additional information if needed.

Mr. KILDEE. Thank you very much.

One nice thing about this program, and Native American program in general, is that you will find friends on both sides of the aisle on this program.

I might point out, in conjunction with your closing remarks, to Angela Cole here that you are perhaps seeing the separation of power, which is unique here, the separation of power probably at its worst, not at its best.

I used to teach government, among other things, before I came to the Congress here, and I spent a year studying the unwritten British Constitution. I know people sometimes are baffled by our proce-

dure and our separation over here at times. Sometimes it does work. Usually it works much better than what we are seeing today.

Some questions here. You mentioned a couple of possible changes. You mentioned maybe multiyear funding as a possible change. I think Mr. Frazier mentioned that. And you also mentioned a $75,000 minimum grant.

Are there other changes that you might suggest to the committee that we could put into the reauthorization? Either one of you might want to comment on that.

Ms. HARJO. We pointed out in our written testimony what we see as the need for an appeals process, that good projects are subject to sometimes too subjective criteria in the review process and rejection, and at the risk of—I am really not trying to make a case for our proposal that I mentioned was just rejected but I will use one small example, and this is common to other proposals and to other agencies.

I know, I have been a reviewer for the National Endowment for the Humanities, a reviewer of State proposals, and had States come to the endowment and say the panel that I was on said to make this larger and we made it larger and then the next panel said to make it smaller, it was too large, and said that was a real problem, and we didn't have a chance to come in and make our own case.

I think this happens in ANA and it is just a problem of the public review process and there needs to be an opportunity along with this public review process, which I think is very important and has its own merits, an opportunity for the petitioner to come in and State the case and say what they were trying to do on the basis of having gotten a review from the public review board.

I think that would be a fairer process and would give especially the tribes that don't have necessarily expert proposal writers a better opportunity to get through certain discrete programs that they really need but perhaps did not explain precisely in an understandable way that stacks up against someone who can afford to hire a consultant to write the proposal and have it go through because that consultant may or may not be in the public review process.

I think an appeal would be very helpful.

I am interested in hearing myself a little more about this minimum proposal and I do think that ANA is a good process in that it doesn't have a minimum, as such, and when a tribe or an organization has a small project they want to get through, I think it is viewed as we want to develop a code for this particular purpose and this will help us in our governments, and it fits within the criteria one.

I think that the ANA should have that flexibility.

Mr. KILDEE. Thank you. Mr. Frazier, would you care to comment?

Mr. FRAZIER. Well, as I stated before, we are in favor of restoring an appeals process. It takes it out of the discretionary purview of the agency administrator. It doesn't exist. We had it before.

Agencies such as the Department of Education, Department of Labor and so on have similar processes. We think it needs to be in there.

Additionally, we think in terms of changes that there ought to be some way that a nonsubjective evaluative analysis could be done for these grant proposals that are submitted.

Last year the commissioner or the assistant secretary stated that the reason that there were so few funded programs in off reservation communities was the level of the proposals were—qualitywise were low. And yet there is no assistance to the groups to, No. 1, prepare those types of proposals. No. 2, when they are turned down, there is no ability for them to say, well, this is what we were really trying to say or really trying to accomplish and we receive absolutely no money from anybody, you solicit proposals from us, we go to the expense of trying to prepare one to better our community, it comes in and gets turned down, let us take our appeal to some other court.

Mr. KILDEE. Do you get any technical assistance formally or informally from ANA on preparing or the process for preparing your applications?

Mr. FRAZIER. In July of last year ANA suggested that our company conduct workshops to assist off reservation groups in preparing technical assistance proposals and that their contribution to that workshop would be one ANA employee to provide the insight into the ANA game, and no cash for people to get there from local communities, so that the local group had to find a way to get there on their own nickel.

But the philosophy was, as expressed by the commissioner, if these people won't invest in their own communities, why should we.

And then we told them, if the group has got no money, how can they come to a workshop in Washington, DC, or wherever you want to conduct it to learn how to get into the game?

But the ANA official was provided for one workshop, was not provided for the second workshop. The commissioner came to the first workshop and said, I don't know why you people are here, coming to this workshop on how to write an ANA proposal does not ensure that you are ever going to get any money from us.

The financial assistance that goes into the area of technical assistance is extremely limited, if at all in existence this year.

Two to three years ago there was a portion of the budget that was allocated for technical assistance. I think at this point in time it is zero.

Mr. KILDEE. Thank you very much.

Since 1981 ANA has channeled grants generally away from core administration toward developmental activities. Would you care to comment whether that is good, effective, or helpful?

Mr. FRAZIER. From the standpoint of the off reservation grantees, I would have to argue that it has been detrimental.

No. 1, because the program design—and again, this ties into some of our recommendations. The program design which was coined, Social and Economical Development—SEDS for short—was poorly planned and I question whether ANA even knew what it was.

Its basis was to develop local economies, and particularly for tribes that had resources.

Now, to overlay that into an urban community that doesn't have any oil to sell or coal, like my reservation has to sell, it is awfully difficult to say to that community group, you are to implement a social and economic development strategy that is modeled after a reservation that has those assets.

And you take a look at the ANA funding spread over the last 3 or 4 years, you will see that increasing amounts went to tribes with those natural resources and to organizations that supported those tribes, at the expense of those that did not.

But I would say that it got away from what the communities wanted to do more to what the agency thought was good for the communities, that being SEDS, without much understanding about the communities themselves, and a lesser and lesser priority on those communities when they weren't able to succeed in the panel review processes that were set up to review proposals based on the SEDS strategies.

Ms. HARJO. I guess I would differ somewhat with that analysis, since it was the Indian leadership nationwide that developed with ANA prior to Commissioner Engles being there the SEDS process, and set as the No. 1 criteria governance and shoring up of the ability to carry out your governmental prerogatives.

Whether or not you have natural resources, each tribe has assets of one kind or another, and governance goes to the development of those, the ability of tribes to serve their constituencies, their citizenries, whether those citizens of Indian tribes live on or off reservations.

And, of course, our focus even in urban Indian programs is on the Indian person as a citizen of that Indian nation. Otherwise, they would not be considered Indians.

Mr. KILDEE. All right. Thank you very much.

Mr. Tauke.

Mr. TAUKE. Thank you, Mr. Chairman. I am going to have to depart in just a few minutes for a markup on the Health Subcommittee, but let me try to just squeeze in a couple of questions before I depart.

First, Mr. Frazier, you indicated at the close of your testimony that you didn't think that the priorities of the ANA were in accord with the priorities of the act being administered. What do you think the priorities of the ANA are?

Mr. FRAZIER. The achievement of social and economic self-sufficiency of Indian people and Native American people in the country. That is pretty well stated in the beginning of the act.

Mr. TAUKE. I am sorry. Maybe I should say, what do you think the priorities of the Administrators or those responsible for the program might be, if they differ from that?

Mr. FRAZIER. Well, I think the priorities for the last 2 years have been trying to get the agency more like the Bureau of Indian Affairs, which is—if you can't do it over at Interior, then you try to do it within HHS. There seems to be a lot of time spent on that.

No. 2. I think the priorities have——

Mr. TAUKE. I am not trying to be difficult but I am not sure that I understand what you are talking about. You made some reference to that earlier, that the Administrator was spending a lot of time over at Interior.

Mr. FRAZIER. Two years ago there was an effort on the part of the agency itself to have it transferred out of HHS over to the Interior Department.

Mr. TAUKE. OK.

Mr. FRAZIER. And that prompted a flurry in Indian country to try to find ways to keep that from happening, because of the Bureau's longstanding record of successful performance, and I say that in jest.

Mr. TAUKE. Yes.

Mr. FRAZIER. I think once the Hill finally said, no, we are not going to give you your legislation back if that is what you are going to do, we want it kept in HHS because it functions in a different nature, they said, OK, we have got to live over here at HHS but how can we make it like the Bureau. And that is reflected in the design of programs within the ANA program by former bureau employees.

The Social Service Department of the Bureau of Indian Affairs was the provider of the staff person to the ANA to work up the social service write-up for ANA for the coming 2 or 3 years. That was a bureau employee.

The current commissioner, I believe, came out of the Bureau of Indian Affairs.

I think there is a considerable amount of time spent trying to remodel the agency or to change the agency into that mode of thinking.

Prior to that the agency was relatively flexible in what it did. I won't say that I concur with all things that happened in the past, but over a 10-year period, 15-year period of working with the agency and its predecessor, we found that local communities could determine to a larger degree what they felt was best for that particular community.

What goes for Sioux City, IA, in terms of what they think that Indian community thinks it needs in the way of jobs, economic development projects for its people, child welfare advocacy, is entirely different than would be the needs of an urban Indian community in Oklahoma City, where you have a larger visibility and closer Federal offices and Bureau of Indian Affairs activities than you do in a small community like Sioux City, IA.

The agency, on the other hand, or the assistant secretary's office—we are not really too sure where these things develop from—have their own set of ideas as to what should be right.

And I agree with Suzan in that the tribal leadership, once SEDS was announced, said, OK, let's define SEDS, social and economic development strategies, and came up with the tribal government and maintenance thereof and strengthening thereof interpretation of social and economic development strategies which the agency then adopted.

But it is not the same for dealing with off reservation communities in a local metropolitan or rural area.

Mr. TAUKE. So, you think that in a sense the new thrust is to try to push everybody into one slot, if you will?

Mr. FRAZIER. I think there has been a concerted effort to try to get a—yes, a one slot approach to what is right for a grant application from a community or reservation.

Mr. TAUKE. OK. What kinds of services do you think should be provided under SEDS for off reservation Indians?

Mr. FRAZIER. Well, No. 1, let's discard SEDS. I don't think it has—it hasn't produced what it—we have spent a lot of money on it but I don't know that it has——

Mr. TAUKE. To replace it, what would you suggest?

Mr. FRAZIER. To come up with something like perks or some other word and replace it with initiatives that are developed by the local community that they determine to be what is in their best interest.

Now, in terms of direct services I have seen ANA money used over the years to fill in where there were gaps in other service delivery mechanisms. It could go into an urban program and spread out into five different departments, a little bit into the child welfare department that needed $200,000 to run, and the Bureau of Indian Affairs under the child welfare grant came up with $175,000. So, $25,000 over there to make that one fly. A supplemental to the United Way program that a local community center may have for a temporary employment agency, where the United Way says, OK, we come up with $50,000 to run this agency, and the agency then itself puts $50,000 worth of ANA money into that component to get a $100,000 component that is able to effectively deal with the problem of employment in that particular community.

If there was a simple way to do it, it is the way it used to be done, and that was the core administration approach. They just said here, use it in the core of your organization to raise money from other agencies and run your management core with this.

That was a good solution in that you didn't have to decide what the priority was. Was it going to be housing, was it going to be employment was it going to be health, was it going to be child welfare or social services, within all the communities.

It gave the agency, ANA, the opportunity to say we are just going to fund for services administration.

Prior to the core service concept we had the direct service approach with the old ONAP dollars. The agency received $x$ amount of dollars based upon how many Indians were in your community, what their unemployment rate was, and some vague number that ONAP established per Indian. I think it was $42 a head you received if you had 1,000 Indians or more in your community, and it was like an entitlement grant or revenue sharing grant that just came to your organization in that community and you then determined what to do with it within your organization.

It could be used for administration or could be used for direct services.

That went away with the reauthorization of the old ONAP into the ANA and became core administration and then eventually went just the opposite direction to straight program administration or program activities.

Mr. TAUKE. So, you would prefer to go back to the core administration kind of approach, I gather?

Mr. FRAZIER. I think our constituency would prefer to make the determination at the local level on what the dollar is best used for, core administration in some cases, in other cases support of social

services that aren't supplied by the local community, the Federal Government, and so on.

There is no other agency that really has the flexibility to do that. Labor Department programs say you have got to do this with it. Title 20 Program, you have got to do this with it.

Mr. TAUKE. Sure.

Mr. FRAZIER. And there are holes. The holes are varying in different communities. An organization might be able to pick up a community development block grant to pursue a housing exercise within their local community in Oklahoma City, for instance. Not so in another community, and that second community may want to do housing. It may be a priority and they should be given the option to use the ANA dollar for that purpose, not necessarily for just core administration.

Mr. TAUKE. Thank you.

Thank you, Mr. Chairman.

Mr. KILDEE. Thank you.

The committee is pleased to have with us today the ranking Republican member of the full Education and Labor Committee, an ex officio member of this subcommittee, Mr. Jim Jeffords of Vermont.

Mr. Jeffords.

Mr. JEFFORDS. Thank you, Mr. Chaiman. I certainly have come to listen to the testimony and I certainly appreciate your holding these hearings. They are very, very important. I will look forward to working with you. Thank you very much.

Mr. KILDEE. Thank you, Mr. Jeffords.

The panel has been most helpful to us. We will probably want to get back and talk with you as we go through the proceses of reauthorization. I know both of you are readily available. We appreciate your testimony.

Ms. HARJO. We are happy to work with you. Thank you.

Mr. KILDEE. Our next panel will consist of Mr. Phillip Martin, chief of the Mississippi Band of the Choctaw Indians; Mr. John Christensen, executive director of the Abenaki Self-Help Association, Swanton, VT; and Mr. A. Van Horn Diamond, economic development director of Alu Like from Honolulu, HI.

**STATEMENT OF PHILLIP MARTIN, CHIEF, MISSISSIPPI BAND OF CHOCTAW INDIANS, PHILADELPHIA, MS; JOHN CHRISTENSEN, EXECUTIVE DIRECTOR, ABENAKI SELF-HELP ASSOCIATION, SWANTON, VT; A. VAN HORN DIAMOND, DIRECTOR OF ECONOMIC DEVELOPMENT, ALU LIKE, HONOLULU, HI**

Mr. MARTIN. Mr. Chairman, my name is Phillip Martin. I am the chairman of the Mississippi Band of the Choctaw Indians.

I appreciate the opportunity to come here and make a few remarks in support of the ANA Program.

The ANA, in my view, has been one of the most flexible programs that the Federal Government has as it relates to Indian people.

Had it not been for ANA funding, I don't think that the tribes would have made the progress which they are making today.

In many tribes versus urban Indians, it is different. They have a little different need, as was pointed out here this morning, than the tribal government.

A tribal government has probably more needs as it struggles to improve the tribal government, and ANA has been very helpful in that because for several years ANA was emphasizing the strengthening of the tribal governments so that they could manage their resources to the best manner possible.

But over the years we have grown and we have expanded into contracting. We are contracting with Federal agencies, the Bureau of Indian Affairs, Indian Health Services, and others that we have contact with. And the ANA money has made it possible for us to do this.

ANA also is structured in such a way that it has no big staff, it has a minimum staff. It is a contracting or granting agency only. It has no programs to administer out at the local level.

So, because of that, it is different from BIA and IHS in terms of contracting.

When you start contracting with Federal agencies like, oh, for instance, the total health care services that we have with IHS, contracting law and order, social service, court, and other things that affect Federal employees, that is where you run into real problems in contracting, because Congress gives the money in lump sum almost to the agencies and they in turn redistribute that money the way that they want to do it.

So, sometimes we get in their way, because we are contracting a project that I feel strongly that they would like to see fail. And we are having a lot of problems with the Indian Health Service and BIA.

We find that funding of these projects has been far below the need to really carry out the project as it was intended by Congress.

We are going to be talking about those issues in other places. But getting back to ANA, ANA has been able to give us the resources that no other agency has been able to give us.

So, we have been able to hire our expertise, we have been able to hire planners, especially emphasizing economic development—particularly my tribe is emphasizing creation of jobs.

One of the things that was really hurting us was the lack of employment opportunity. So, we made that as a priority. And it has taken us several years but I am happy to report to you that since 1979 we have created over 1,000 jobs, and we are expanding our operation in next year, 1986, we are going to be employing over 1,500 people from a private sector type operation. And we are dealing with some of the largest companies in the country, General Motors, Ford Motor Co., Chrysler, Westinghouse.

We are producing products for them, and these people are not easy people to deal with. These companies are not what they call social minded. They are profit oriented.

So, a tribe like us or anybody that wants to do business with them has to produce the quality, the kind of quality product that they want, and that is what we have been able to do.

We were just in Detroit this past Monday and Tuesday to increase our sales, to see if we can get new product lines, which I think we are going to.

So, what we are doing now is we are producing automotive wire harnesses. That is the wires that go under the dashboard of an automobile. We do some models like pickup trucks, Buicks, Cadillacs. And GM doesn't trust a product like that to be produced by just anybody. You have got to be able to show credibility, you have got to be able to produce, and you have got to have the capability to produce that on time so that it will be ready to be put in these cars once they are put together somewhere in Detroit.

Mr. KILDEE. As a member who represents Flint, MI, which was the birthplace of General Motors, where David Buick and Louis Chevrolet lived, I can testify that you are right on target with that statement.

Two bells have rung, which means there is a vote on over in the House, which means we will have to go over and cast our vote. We will be back in about 8 minutes, so if you would kind of take a break for about 8 minutes, we will be right back and resume the testimony.

[Recess.]

Mr. KILDEE. Mr. Martin, you may resume your testimony.

Mr. MARTIN. OK, thank you.

Getting back to just a little bit more on the industry that we are involved in, this past week we just opened another plant where we are going to be producing automotive speakers for Chrysler Corp.

We are into a joint venture with a company out of Chicago who has been in the business a number of years, and because of high competition with foreign countries they have looked to other places where they could reduce cost, and through the automotive business they found out that we were doing business with GM.

So, to make a long story short, we entered into a joint venture, a minority enterprise, the tribe being the 51 percent owner, and we negotiated that, we negotiated the contract, and we are in business now.

So, we expect within the next 2 years, if we have success and which we think we will, we should employ over 250 people in the automotive speaker operation.

So, one has to understand and appreciate where the Choctaws came from.

At one time not very long ago, less than 30 years ago, the tribe was in dire poverty. They didn't have adequate land. They didn't have any resources that they could rely on.

The only thing that we had going was the desire to do something for ourselves.

So, along came 1960 and these programs began to be available. The tribe took advantage of these programs and in my judgment made it into—made use from these.

We started by deciding what the heck was it that we wanted. We decided that we wanted education. We decided that we wanted better homes, we wanted better health care, we wanted to develop our community, and we wanted to maintain our culture, and we also wanted permanent jobs.

So, with that kind of strategy we started working on strengthening our capability in the tribal government. This is where the ANA money came into play. It allowed us to hire the expertise and also some promotional stuff that you have to have.

Nobody knew us hardly, so we developed brochures, we developed information, we developed a newspaper, we developed anything—a video presentation, anything that we could to promote ourselves in a good light, we did these things with our neighbors, with anybody that we had contact with.

So, Choctaws came from with no resources to what we are today and have been able to create these jobs with a resource of $18 million of private sector money that comes in through the sales.

And we expect—once you start snowballing you go pretty fast—we expect to double that. We are going to have about $30 million into the next year in additional resources.

So, what we do here, sir, is that we don't work just by ourselves, we work with our local communities, the non-Indian local government, State government.

So, we are trying to make an economic impact all over the surrounding areas and adjoining counties and communities, and this has been a good positive attitude to take in that we have gotten the support, we have a good relationship with our local government and State government because we are able to come up and offer something that they also need as well.

So, we think that that has been a very good approach to developing other resources as well as your home.

So, we think that ANA should be continued. I believe that it has to get its act together and work with different tribes that have different needs.

If urban Indians have different needs, then they should be able to deal with that. And I think that they do have a difficult time, many of them.

I know from my own tribe, a number of Choctaw people were relocated during the Eisenhower administration—what is that, in the 1950's—into Chicago and the northern towns, California, Texas, and they stayed there. Many of them have been able to stay there.

But I have been to many of those places and I am real surprised—I am proud of them that they are able to stay there. I don't think I could do it myself under the same kind of conditions that they had to go there and then live in the condition that they were not trained or had the appropriate education to progress. Yet they are able to stay there and establish their roots.

So, I think that they need a different kind of help than what a tribal government would need, and even a tribal government has different needs. Some tribe has a lot of resources and some tribe like mine does not have resources that are needed.

So, we have taken a big risk. We made an investment. Maybe 5 or 6 years from now some of that investment might begin to pay off. But at this point we are using just the plain old language, we are in the hole and it is going to be a while before we can pay our indebtedness off.

So, we need continued help.

Our aim is to reduce our dependency on government as much as we can, and I think we are on the right track to do that, because if we have moneys of our own then we have no restrictions, we can do it as we think is best for us.

So, it has been a pleasure for me to be here. I would like to give you this packet, some pictures, and the speaker company that we

are doing business with, and others here that are for your review. I would like to give them to you.

Mr. KILDEE. We appreciate that and that will be part of our committee's file on this hearing. Thank you very much, Mr. Martin.

[The prepared statement of Phillip Martin follows:]

WRITTEN STATEMENT ON REAUTHORIZATION OF NATIVE AMERICAN PROGRAMS ACT BY PHILLIP MARTIN, CHIEF, MISSISSIPPI BAND OF CHOCTAW INDIANS

I am Phillip Martin, elected Chief of the Mississippi Band of Choctaw Indians, a federally-recognized tribe of some 4,600 members on and near 18,000 acres of reservation land in east central Mississippi. It is also a tribe which typifies the types and range of governmental and economic successes that the Administration for Native Americans, a small office in HHS, a minute portion of the federal budget, can assist in.

As tribal Chief, and, previously, tribal Chairman, I have administered grant funds from ANA and its predecessor agencies for twenty years. ANA began as the Office of Economic Opportunity's Indian Desk, and we were among its first grantees, establishing a Community Action Program in 1965. Our tribe's first grant in aid came from the OEO Indian Desk, a $15,000 planning grant, which became the catalyst that has resulted in a phenomenal growth through the establishment of a strong tribal government, bringing community development and housing programs, increased educational opportunities, improved health care, and a number of social improvements. In addition, it has made possible a strategy of economic development which has resulted in the creation of 1,500 private sector jobs on our reservation and projected gross yearly sales on the private market in excess of $30 million.

A government once in name only, the community action agency, and "ICAP's" throughout the country in the late 60's and 70's, through emphasis on citizen participation and community organization, and the achievement of locally-determined goals, produced a renewed faith in tribal democratic institutions, something to which was later given the name "Indian Self-Determination."

With our OEO assistance, we purchased expertise in program planning and administrative management, which led to the acquisition of additional discretionary programs and establishment of an indirect costs rate. This did not occur overnight; and it took us more than a decade, with OEO/ANA help, to fine tune our tribal government into an efficient and effective administrator of federal grants and contracts, responsive to all federal terms and conditions. We centralized all administrative functions, such as finance, personnel, and procurement, into a management system which functioned independently of political fluctuations, and was strengthened by a constitutional revision in 1975 that established a tribal government executive branch. A chart reflecting the current tribal government organization is attached.

At the time of which I am speaking, ANA emphasized the strengthening of tribal governments, in order to deal with tribal assumption of federal programs. In the mid-70's, and at about the same time, both we and ANA turned our attentions toward tribal economic development and self-sufficiency, we because the tribal governmental development in which ANA had assisted us had reached a point of such sophistication that the tribal leaders had sufficient time to concentrate on areas other than day-to-day administration. Partially assisted by ANA we concentrated our planning resources in economic development and pursued contacts with the private sector. Our success in this derived in part from the statistical information on the Choctaw labor force and its skills, the promotional materials, and the feasibility and marketing studies we were able to support with ANA dollars.

We have currently in operation or under construction 300,000 square feet of manufacturing facilities, employing over 1,000 people—soon to be 1,500. We are doing business with the major employers in this country, among them General Motors, the Ford Motor Company, the Chrysler Corporation, Westinghouse, and the American Greetings Corporation. We have reduced our unemployment rate from upwards of 60 per cent to around 20; and have become one of the 15 largest employers in the state of Mississippi, and the largest emloyer in Neshoba County.

We are fortunate to have begun on the road to self-sufficiency at about the time the social programs' budget cuts took effect in 1981. We were able to steer a number of public sector workers directly into the tribal enterprises at a time when, because of the cutbacks, Indian unemployment rates on other reservations began to soar.

Today, most tribes still face severe, crippling levels of unemployment and are a long way from the point of economic take-off. We ourselves have only very recently

arrived there, and still face large-scale social problems arising from high levels of poverty and a history of neglect. The Indian people across the country need the flexible, self-directed resources which ANA, and no other government agency, provides to them through their tribal governments. The BIA, IHS, and all of the other programs serving Indian people have specific parameters which cannot be broached by the grantees or contractors. ANA, on the other hand, provides funding for locally-derived goals and priorities which generate local support and enhance efforts toward self-government. The grants are competitive, and they are not large by the standards of other agencies; but their impact is one of the most important that a program can have on a developing tribe. In part this is because ANA personnel, unlike the staffs of the other federal Indian agencies, are not worried about tribes taking their jobs away from them. ANA maintains a small office of staff dedicated to tribal self-determination with whom there is no conflict of interest on the contracting of ongoing federal programs, as there is with BIA and IHS.

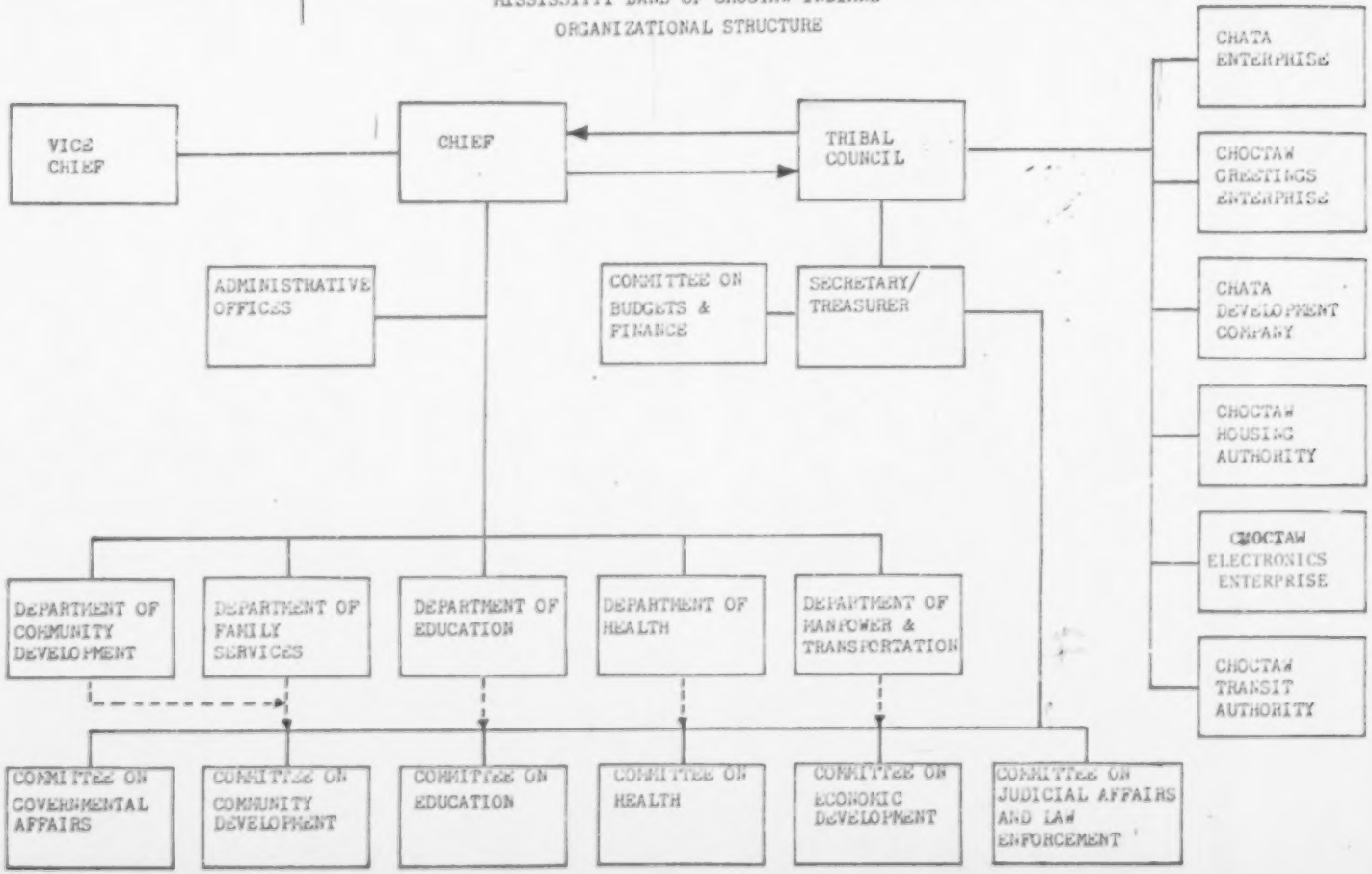
Over the decade of the 1970's, ANA lost much of what importance it had within the federal structure, being shifted to HEW (later HHS), and having to compete for attention with bureaucratic dinosaurs such as the Social Security Administration, and with large and successful programs such as Head Start, for attention. Perhaps one of the few positive developments in Indian affairs over the last six years has been the increased involvement and status of ANA in the decision-making process at the Office of Human Development Services, attributable to OHDS' Assistant Secretary, Dorcas Hardy. Ms. Hardy seems to truly understand the program's importance, and has seen fit to consider the impact of national policies of various sorts on Indian people.

ANA represents a unique federal program which should be available, though we realize this is not economically feasible, to all tributes, because all tribes are in desperate need of governmental development and projects aimed at increasing self-sufficiency, aims which only ANA among the federal programs provides resources for.

Mr. Chairman, we are totally in support of the Administration for Native Americans, its maintenance within OHDS, and support continued or increased funding levels for ANA to continue the excellent work they have performed over the years not only for the recognized tribes and the reservation-based programs, but also for the legitimate urban organizations improving conditions for our members living in the cities. It would be unfortunate indeed if tribes and urban organizations were deprived of these sometimes life-saving and flexibile resources.

I am pleased to have been invited here to speak on behalf of a truly innovative program. I would also like to take this opportunity to invite you and your staff to the Mississippi Choctaw reservation, so that you might see firsthand how a tribe which was 30 years ago at the lowest rung of the Mississippi economy has risen to a level where our young people today are proud to be Choctaw, and proud to contribute to the growth and prosperity of our whole area. We have been the subject of much press coverage (see attachments) and television and motion picture documentaries. We have also hosted many tribal leaders, foreign dignitaries, and Congressional people who have been interested in seeing our tribal government at work—a fulfillment of the vision of the Congress in its adoption of the Indian Reorganization Act if 1934 and 1936, made possible by the efforts of ANA in the 1960's and beyond. ANA still has a vital role in this process. It seems that when a people make progress, then they have to work even harder to maintain it—that's where we look to continued support from the Administration from the Administration for Native Americans and from the friends of the Indian people in the Congress.

MISSISSIPPI BAND OF CHOCTAW INDIANS
ORGANIZATIONAL STRUCTURE



[From the Daily News (Jackson, MI), Aug. 18, 1985]

## STATE'S CHOCTAWS RISE FROM POVERTY

(By Rose Ragsdale)

PHILADELPHIA.—Raised by his grandmother, Eilly Chickaway grew up on the edge of poverty in Neshoba County's Tucker Community—one of seven Choctaw Indian communities scattered across the red clay hills of east Mississippi.

Young Chickaway, however, did not despair. Instead, he patterned his life after that of his uncle, Phillip Martin.

Today, Martin, 59, is chief of the Mississippi Band of Choctaws and Chickaway, 35, is a general supervisor at one of the tribe's three manufacturing plants.

A generation separates the pair, but they are both integral parts in an unfolding economic success story.

"You could parallel us with a Third World country—the more developed we get, the more needs we run into; it keeps us moving," Martin said.

Indeed, the Choctaws are moving, up that is, to a higher standard of living thanks to the 30-year battle for economic self-sufficiency they have fought and won. But with high unemployment among Choctaws, economic battles still loom.

As recent as 10 years ago, the average Choctaw household's annual income totaled $3,600. Unemployment hovered well above 60 percent among the 6,100 Indians who live on the Mississippi reservation.

But by 1984, the Mississippi Choctaw's average household income had jumped to $10,000 a year, and joblessness had declined to less than 25 percent, Martin said. Five people live in an average Choctaw household.

More than 700 men and women, 70 percent of whom are Choctaw, work at two automobile wire harness plants and a greeting cards manufacturing facility at the tribe's industrial park in the Pearl River Community near Philadelphia.

The tribe's 60-employee construction company, Chahta Development Co., is building two other plants, a 60-employee radio speaker manufacturing facility and a 200-job wiring facility.

The five plants are either owned and operated outright by the tribe or are operated under lease or joint venture agreements with major corporations.

When the new plants are completed, the Choctaws, in seven years, will have created more than 250,000 square feet of manufacturing space and 1,000 jobs on the reservation with about $10 million in total capital investment.

When added to the government, education and health service jobs the reservation also provides, the Choctaws emerge as one of east Mississippi's leading employers.

"There are not many communities in Mississippi that can rival what they've done here," said William Richardson, manager of the reservation's office of economic development. "If the state had developed, per capita, the same way the tribe has, Mississippi wouldn't be 50th in the nation."

Richardson, a non-Indian from Jackson, said the secret to Choctaws' success is simple—it has strong leadership from Martin.

Martin's leadership, though has taken time to emerge.

Thirty years ago, he was just another young Choctaw husband trying to build a life for himself and his bride in their ancestral home.

Fresh from the Air Force after long years attending a boarding high school among the Cherokee in North Carolina, Martin found his tribesmen eking out a subsistence-level livelihood on the 18,000-acre reservation through farming, sharecropping and working as laborers.

The reservation's elementary school system was failing to supply Choctaw children with the most rudimentary skills. English, a second language among the Choctaws, was difficult and often impossible to master.

Only five percent of Indian homes had running water. Alcoholism, born of despair, headed a long list of major health problems which plagued the reservation.

Frustrated that these conditions had not improved in his absence, Martin wanted to leave.

But he reconsidered and set out to find a way to end the cycle of poverty around him.

"I knew we had to change things because my people are not going anywhere—this is their homeland and I think they have proven that they are staying, ever since 1830," Martin said, referring to the Choctaw's ancestors who hid in the woods when federal agents attempted to move them to an Oklahoma reservation 155 years ago.

"I started thinking of ways to improve things and through the tribal government, I saw a way to institute change—to make tribal government work for the tribe," Martin recalled.

He came up with the idea of economic selfsufficiency and convinced the Tribal Council that it was the Choctows' only answer. "I told them we could sit up here and starve for the rest of our lives or we could get something going for ourselves," he recalled.

It worked. But even when the leaders became committed, years of slow progress still lay ahead of the tribe.

Martin, who was elected to the Tribal Council and became its chairman in 1959, succeeded in getting a high school built at the reservation in 1963.

During the 1960s and early 1970s, the Choctaws, led by Martin, pressed forward, first pursuing housing opportunities and creating the Choctow Community Action Agency; and then shifting the focus to employment opportunties.

To attract industrial employers, Martin secured a $564,000 grant from the Economic Development Administration to lay out an industrial park. Development of the initial 30-acre site began in 1969, and later water, sewer and electrical mains were installed.

Years went by, but the Choctaws failed to get so much as a nibble in interest from industries until 1975 when Packard Electric expressed interest in the tribe supplying wire harnesses for automobile instrument panels.

Eager to accept the opportunity, the Choctaws founded Chahta Enterprises with a federal grant and loan guarantee and spent $1.3 million to build a 42,000-square-foot plant. The plant started operating in February 1979.

Later that same year, Martin conceived the idea of getting the nearby city of Philadelphia to issue industrial revenue bonds to raise $2.6 million to build a second plant, Choctaw Greetings Enterprise, a greeting card assembly subsidiary of Cleveland-based American Greetings Corp.

Eighteen months later, the Choctaws went into the greeting card assembly business.

Meanwhile, the wire harness assembly operation, directed by former Packard employee Lester Dalme, had expanded to full capacity in Plant One. So, the Choctaws decided to build Chahta Plant Two, to manufacture wire harnesses for other automobile makers.

The Ford Motor Co. signed a $4.3 million contract for the second plant's products and by January 1984, production at both facilities had swallowed all available floor space.

Given the chance, the Choctaws have demonstrated that they are proud and productive people, Martin said, "You could consider it luck, but we did a lot of work to create that luck—we, Choctaw, can't afford the luxury of any failures," he added.

Next month, the tribe plans to begin production at Choctaw Electronics Enterprise, a 40,000-square-foot joint venture operation it has entered with Oxford Investment Co. of Chicago. A highly automated plant, which is 51 percent tribe-owned, Choctaw Electronics will employ 30 to 60 workers to manufacture automobile radio speakers.

Meanwhile, a fifth manufacturing facility, Chahta Plant 3 is under construction near Carthage. It is scheduled to begin producing wiring products in mid-1986 for non-automotive applications with 200 workers.

While state officials admire the Choctaws' economic progress, they have played no role in its development.

"You have to look at what the Choctaws have accomplished to understand Chief Martin," said Jim Miller, director of the industrial division at the Mississippi Department of Economic Development. "He pretty much runs his own show and generates a lot of economic development activity on his own."

*November 1984*

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## Uprising in Indian Country

By Peter Michelmore

*63rd Year: World's Most-Read Magazine*
*Over 31 million copies in 17 languages bought monthly*

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# Uprising in Indian Country

ROBERT BENN, the 50-year-old superintendent of the Bureau of Indian Affairs (BIA) agency in Philadelphia, Miss., has a wry word of caution for visitors to the nearby Choctaw reservation.

"Don't expect to see Indians with feathers, dancing up and down," says Benn, a full-blood Choctaw himself. "What you'll find is a *working* reservation."

This part of Choctaw country, six miles west of

2

ILLUSTRATION: WILSON McLEAN

**After 150 years of poverty and oppression, the Mississippi Choctaws have gone on the warpath**

BY PETER MICHELMORE

Philadelphia, boasts a landscaped campus of schools, churches and modern housing units, a new day-care center, a hospital, tribal meeting hall and a block of administrative offices.

Beyond a sports arena is an industrial park with three plants bustling inside with line after line of quick-handed Choctaw workers. They are assembling electrical systems for trucks and automobiles in two of the plants. In the third they are hand-finishing greeting cards. During the peak season, nearly 700 men and women go at it day and night. Their output is worth approximately $12 million a year to the tribal companies that own the plants, but their value may be measured in pride as well as money.

The Choctaws have emerged as perhaps the finest example of a new spirit of endeavor among America's 755,000 reservation Indians. "A lot of people thought that Indians were content with monthly welfare checks and wouldn't work," says Phillip Martin, 58, chief of the 6100-strong Mississippi band of Choctaws. "We knew better."

To start with, the tribe had only a patchwork, 18,000-acre reservation—acquired during this century—in a poor section of the poorest state in the union. Martin wanted no part of it when he came home from a ten-year hitch in the Air Force in August 1955. "I'm not staying," he warned his bride, Bonnie Kate.

No one would argue then that his native tribe had more than a degrading subsistence.

"No matter how much corn and cotton we planted and picked we were never out of debt," Thallis Lewis, 40, recalls of her childhood.

Families had eked out a living by farming, since the once-powerful Mississippi Choctaw nation was disbanded by treaty in 1830 and most tribespeople were removed to Oklahoma. The remaining Mississippi Choctaws numbered barely 1000 when the BIA agency was opened in Philadelphia in 1918 to administer government services. Over the years, small tracts of land were acquired, elementary schools were built and the tribe was officially recognized again in Washington. But the wretched living conditions were not improved.

**No Rubber Stamp.** The one escape for those youngsters willing to leave their families was the free, out-of-state Indian boarding high schools. Phillip Martin went off to a BIA school in Cherokee, N.C., graduated, and enlisted in the Air Force where he earned his sergeant's stripes. When he returned to Mississippi to collect his bride, Bonnie Kate coaxed him to a meeting of the 16-member Choctaw Tribal Council.

So disdainful was the BIA of tribal government that council members were made to meet in the kitchen of the agency. The council's role, Martin saw, was simply to rubber-stamp BIA decisions, which perpetuated non-Indian bureau-

cratic control over all tribal affairs.

"Socially and economically, we were low man on the totem pole," says Martin. "It was a system that had to be changed."

Compelled by the challenge, Martin took a job in the maintenance department at the Naval Air Station in Meridian, Miss., and studied the voluminous regulations setting out the relationship between sovereign Indian tribes and the federal government.

Martin was elected to the Tribal Council, became its chairman in 1959 and led a delegation to Washington to agitate for better response to Choctaw needs. In 1963, as a result of incessant campaigning, a high school was built on the reservation. Still, Choctaw unemployment hovered near 80 percent. Only about five percent of homes had running water. Alcoholism, born of despair, was a major health problem.

Now Martin set his sights on housing development. The breakthrough came with the Economic Opportunity Act of 1964. With a seed grant of $15,000 and assistance from university management experts, the Choctaw Community Action Agency was formed to plan construction of houses, offices and utilities. The tribally owned Chata Development Company was established to build the homes.

Many of those Choctaws with a high-school education, and the handful of college graduates, pitched in at some level. Robert Benn, who had a B.A. from Mississippi College, took over as tribal chairman while Martin ran the community-action office. As reservation life was reordered, the goal shifted to getting the unemployed off welfare and into jobs.

The BIA canvassed manufacturers for possible location on the reservation. But executives on inspection tours found no industrial facilities. Convinced he could get business if he had something to show, Martin got a $564,000 grant from the Economic Development Administration (EDA) to lay out an industrial park. Development of the initial 30-acre site began in 1969, and later it was serviced with water, sewer and electrical mains. It still failed to entice an occupant.

Tribal leaders felt that the BIA was not pushing their cause sufficiently, and when the superintendent's job at the Choctaw BIA agency became vacant, they recommended the appointment of Robert Benn. He got the position, and the Choctaws were another step closer to controlling their own destiny.

**Daughter With a Dowry.** By 1975 the Choctaws had changed their constitution to give the Tribal Council executive authority over all activities. Martin was serving as management consultant to other tribes from an office in Philadelphia. Still obsessed with getting a tenant for the industrial park, he wrote letters to more than 150 companies.

The lone respondent who ex-

pressed interest was George Gibbons, purchasing agent for the Packard Electric Division of General Motors, in Clinton, Miss. Gibbons was seeking suppliers of wire harnesses for instrument panels.

"My first visit was an eerie experience," recalls Gibbons. "The Choctaws had put in electricity and parking lots, and had cleared land for plant construction. It was like a daughter with a dowry. All she needed was a husband."

Within a year, a contract was finalized. Packard would sell component parts to the Choctaws and buy back finished harnesses. The tribe founded Chahta Enterprises to run the operation and, combining an EDA grant and a BIA loan guarantee, spent $1.3 million to build a 42,000-square-foot plant.

Assembly started at 7:30 one morning in February 1979, after the Choctaws were given a two-week lesson in harness making. As plastic fuse boxes moved past them on the assembly line, workers at 13 stations had to fit them with dozens of wires and connectors. Frantic hands threaded wires, plugged in fuses, spliced and soldered. One worker fell behind, and then another.

Supervisor Beasley Denson had the line stopped until everyone caught up. "You have to use both hands," he shouted in Choctaw.

"Bease! Help me!" It was Loula Jim at station seven. She had lengths of colored wire gripped in hands and teeth. Denson jumped to her aid along with Loula's husband, Waggoner. Two technicians from Packard leaped to the rescue at other stations.

At day's end, Denson gloomily surveyed the small pile of finished harnesses that had passed the scrutiny of the Packard quality inspector. The disaster was even worse than it seemed. The assembly line was running at half speed.

**Magic of Effort.** But as the week wore on, the stack of perfect harnesses was fractionally higher. Increasingly, the Choctaw hands flew with the sureness that came from practice. By May, three production lines were going full speed night and day.

Late in the year, a BIA friend brought Morton Wyman, executive vice president of the American Greetings Corporation, of Cleveland, to the reservation. Cards with pop-ups and paste-ins had to be put together and packaged by hand. Wyman saw the Indians could do the job. Martin, now tribal chief, conceived the idea of issuing state industrial-revenue bonds to raise $2.6 million for a second plant, and 18 months later the Choctaws were in the greeting-card-assembly business.

Harness assembly, in the meantime, had expanded to the full capacity of the first plant. And so it was decided to build a separate facility to construct complete harnesses for other clients. The Ford Motor Company signed a contract for $4.3 million, and by January 1984, Choctaw unemploy-

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ment was down to 28 percent, and falling.

Everywhere, the tribe was seeing the magic of effort and reward. Beasley Denson became chairman of the board of the housing authority. Waggoner Jim became a plant general supervisor. Loula Jim went to secretarial school and now works in the payroll department.

Choctaws have taken over control of the hospital and health services from the U.S. Indian Health Service, and are studying the feasibility of a similar takeover of the schools' administration.

The movement toward Indian self-determination has been going on for some time. The stated policy of the Reagan Administration to "get the BIA off the reservations" and invest power in the tribes themselves has a staunch supporter in Phillip Martin, although he fears that deep cuts in educational programs and social services may jeopardize the movement.

"The only thing that we, and other tribes, are asking from government is to give us support so that we can generate revenues for ourselves," he says. "You hear so much that is unfavorable about the Indian. I'm interested in telling an Indian success story."

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REPRINTED FROM THE NOVEMBER 1984 ISSUE OF READER'S DIGEST
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Mr. KILDEE. Our next witness is Mr. Christensen.

Mr. CHRISTENSEN. Mr. Chairman, members of the committee, my name is John Christensen, and I am the executive director of the Abenaki Self-Help Association in Swanton, VT.

I would like to thank you for this opportunity to testify in behalf of the Administration for Native Americans reauthorization.

While I sympathize with some of the remarks that were made here earlier and I would be hesitant to offer a ringing endorsement of the current strategic social and economic development strategies approach by the Administration for Native Americans, I do think that it has enabled someone like myself, an administrator and a grant writer in general, and tribal organizations in particular, to focus their economic development efforts, to focus the efforts of tribal development in general.

The Abenaki Self-Help organization represents the Abenaki Indians of Vermont's upper Champlain Valley, one of the most impoverished community in Vermont.

When they organized in 1976 there were very few resources left on which to build.

Initially, the ANA's core development approach enabled the tribe to establish some basic working documents from which to begin; a tribal constitution, bylaws, a petition to the BIA seeking Federal recognition and acknowledgement, this sort of thing.

In 1981 during the current administration's reorganization of ANA and when the strategic and economic development strategy came into being—excuse me—the social and economic development strategy—I have a great deal of trouble with that acronym—the tribe responded in ways that I think have been very good for the community, and I would like to just outline a few of our specific accomplishments through the Administration for Native Americans.

The ANA provided a foundation from which the tribe was able to create Abenaki Endeavors, a profitmaking enterprise which grossed $106,000 from construction subcontracting during its first season.

By the standards of some this may seem to be a very modest accomplishment. However, to the Abenaki people this was not only a source of income and jobs but did a great deal to boost the community's sense of self esteem, dignity and self worth.

Also, for a long time the Abenaki has faced the undisguised hostility of their neighbors in northwestern Vermont. Since Abenaki Endeavors was launched, and in addition to whatever Federal moneys they have received, they have been able to generate over $100,000 in private funds. You would be surprised what that does to the attitude of bankers and businessmen and the general community.

Abenaki Endeavors currently employs two members of the tribe on a permanent, full time basis and our highway construction contract provides seasonal labor for over 40 tribal members at salaries ranging between $4.50 and $6 an hour.

Again, where this may seem very modest, we are talking about a community where the majority of people in it were on ANFC assistance before Abenaki Endeavors was launched.

Six highway members were employed for over 10 weeks, two for 20 weeks and one for 34 weeks. The current construction season promises a marked improvement over these figures from the previous year.

Six highway and airport construction contracts have been secured, including a single contract for $122,000. Work on these contracts has continued beyond the regular season into the current month.

A 3-year bridge construction subcontract for $25,000 has also been secured.

Through our efforts we have been able to leverage a $50,000 capital equipment loan from the National Rural Development Finance Corporation.

We project a 25-percent increase in next year's gross revenues.

Abenaki Endeavors also operates and manages a HUD housing project, Abenaki Acres, completed after 2 years of construction and development. The 12 units and 6 duplexes not only provide low cost housing for Abenaki and community members but provide a marginal but additional revenue.

ASHAI, which is our acronym, is the first private, nonprofit agency in Vermont to complete this type of housing project entirely on its own initiative.

We also purchased and renovated three area homes as rental units, and this effort employed nine tribal members for 2 years with an average wage of $5 an hour, and the rental units provide another source of tribal income.

The Administration for Native Americans' training and technical assistance initiative for business privately owned by tribal members has helped to establish three enterprises under Abenaki management and ownership.

Maskell Fence and Guardrail grossed $250,000 during its first 6 months of operation in 1984, completing four major projects, employing four tribal members at a weekly salary of $300, and acquiring $100,000 in capital equipment. The company's projected gross for 1985 is $750,000.

The other firm, one of the other firms, Tedford and Sons cement and concrete business completed 60 projects, grossed over $100,000 and employed five individuals at salaries ranging from $220 to $370.

These are entirely private owned businesses that through the foundation provided by ANA in the social and economic development strategy we were able to provide training and technical assistance, draw up business plans, cash flow analysis, this kind of thing, and just provide a vehicle for individuals in the tribal community to launch their own businesses.

There are a number of other things we have accomplished through the SEDS approach, a vocational and job training effort which has placed 19 tribal members in the area's high technological industries, and in the final analysis has now put a total of 28 individuals in unsubsidized jobs in the private sector.

I guess this is all. I can conclude my remarks at this point.

These are the kinds of things that we have been able to accomplish through ANA and the community feels very good about it.

Without ANA's support for the last 8 years I don't think any of this would have been possible. The community had the will and determination, ANA merely furnished the vehicle.

We would very much like to see that vehicle continue. It represents a source of considerable hope to a community that was otherwise in a very hopeless situation.

Mr. KILDEE. Thank you very much, Mr. Christensen.

[The prepared statement of John Christensen follows:]

PREPARED STATEMENT OF JOHN CHRISTENSEN, EXECUTIVE DIRECTOR, ABENAKI SELF-HELP ASSOCIATION

INTRODUCTION

By the mid-twentieth century the remnants of northern New England's Abenaki Nation—a community of 400 individuals living in and around Swanton, Vermont—were among America's forgotten people, an invisible society condemned to a marginal existence on the fringes of their own land.

For a least 10,000 years the subsistence resources of the Missisquoi Valley's rich rivers and marshes had fed the Abenaki people. The Abenaki homeland was still a cornucopia of fish and game, wild rice and berries. The establishment of the Missisquoi National Wildlife Refuge during the 1940's deprived the Abenaki community of its vital food and resources base. During the same period the collapse of railroad construction concluded the Abenakis most important means of access to the cash economy.

For a generation the Abenaki community struggled against proverty and despair in a valiant but losing effort to survive in an indifferent and hostile environment.

Perhaps the cruelest blow of all was dealt by the non-Abenaki. In their effort to adopt to changing conditions and the tide of European settlers engulfing their community, the Abenaki had steadily become isolated from their heritage, traditions, cultural legacy and identity as Native Americans. The undisguised hostility and prejudice of the dominant Anglo community informed many Abenaki that perhaps it was easier, indeed safer to deny their ethnic heritage. Consistently, over several generations, a pattern of inter-marriage also took its toll on the Abenakis ethnic identity. By the 1970's Vermont history texts boldly and erroneously concluded that there were no longer any indigenous Native Americans in Vermont. To the non-Abenaki community, the remaining Abenaki became "gypsys, tinkers, dark French Canadians" or simply "the people down by the river".

The falsification of history had become part and parcel of Vermont's popular mythology. The few, remaining links to the Abenaki past were in danger of being severed forever. While no informed person still denies Abenaki claims to Native American ancestry, the myth persists. The Abenaki lost their land, language, culture, resource base and finally their ethnic identity to the pressure applied by the now dominant society.

In 1974, having lost all that they held dear, the remaining Abenaki resolved to fight back, organize and reclaim their identity, if not their land and resources. Determined to build a better life for themselves and their children, the Abenaki launched a range of initiatives that eventually led to the organization of the Abenaki Self-Help Association, Inc. (ASHAI) in 1976.

The needs and challenges confronting the Abenaki community at this point were daunting. The Abenaki responded with hope and determination, mustering the few resources at their command to face the challenge for their aspirations.

The Administration for Native American (ANA) responded to the Abenaki's initiative by providing funds to establish a foundation and organizational framework for Abenaki community development. ANA helped to fill the vacuum created by generations of despair and hopelessness, enabling the Abenaki to chart a new course and meet the future's challenge.

(1) A genealogical research project that has enabled the Abenaki to document their ancestry and prepare a petition seeking federal acknowledgement from the Bureau of Indian Affairs (BIA). The final document, save for one last edit, is complete and ready to be submitted. Perhaps more important the assembled materials contribute to the Abenaki's sense of self-esteem and cultural pride through the collection of extensive evidence and a firm data base documenting their claim to Native American ancestry.

(2) The creation of a Tribal Constitution and organizational by-laws, providing a sound foundation for the tribe's development efforts.

(3) The opening of negotiations with the state of Vermont leading to the re-establishment of a Vermont Indian Commission and state recognition of the Abenakis trilibal status.

(4) The creation of tribal personnel policies.

(5) The creation of a computer-based financial management system.

(6) The creation and development of Abenaki Endeavors, a profit-making enterprise grossing $106,608 from construction sub-contracting during its first season. Two members of the tribe are employed by Abenaki Endeavors on a permanent, full-time basis. Highway construction contracts provide seasonal labor for over 40 tribal members with salaries ranging between $4.50 and $6.00 per hour. Six tribal members were employed for over 10 weeks, two for 20 weeks and one for 34 weeks. The current construction season promises a improvement over these figures from the previous year. Six highway and airport construction contracts have been secured, including a single contract for $122,000. Work on these contracts has continued beyond the regular construction/season and into the current month. A three year bridge construction sub-contract for $25,000 has also been secured. Abenaki Endeavors has been able to leverage a $50,000 capital equipment loan from the National Rural Development Finance Corporation.

An increase of 25% is projected in next year's gross revenues. Abenaki Endeavors also operates and manages a Housing and Urban Development (HUD) project—Abenaki Acres—completed after over two years of construction and development. The 12 units in six duplexes (including a "handicapped accessible" apartment) provide safe, secure and low-cost housing to Abenaki community members. ASHAI is the first private, non-profit agency in Vermont to complete this type of housing project entirely on its own initiative.

The Abenaki Endeavors housing rehabilitation project purchased and renovated three area homes as rental units, employing nine tribal members for two years at an average of $5.00 per hour and provides a source of tribal income in addition to seasonal construction projects.

(7) The ANA training and technical assistance initiative for businesses privately owned by tribal members has helped to establish three enterprises under Abenaki management and ownership. Maskell Fence and Guardrail grossed $250,000 during its first six months of operation in 1984, completing four major projects, employing four individuals at a weekly salary of $300.00 and acquiring $100,000 in capital equipment. The company's projected gross for 1985 is $750,000.

The other firm, Tedford and Sons cement and concrete business, completed 60 projects, grossed over $100,000 and employed five individuals at salaries ranging from $220 to $370.

(8) A vocational training and job placement effort led to the employment of 19 tribal members in the area's high tech, computer industries. In the final analysis, the training initiative has enabled 28 individuals to find unsubsidized jobs in the private sector, as well as on the job training for four individuals and vocational education opportunities for 11 individuals.

In addition to the above outlined range of private sector economic development and tribal organization and government initiatives, ANA has provided a foundation for the following public sector efforts:

(1) Securing Health and Human Services (HHS) discretionary funds to address unemployment among Abenaki youth, particularly unwed mothers and high school drop-outs.

(2) A feasibility study for a community dental clinic.

(3) The training of tribal members for management positions, leading to the current employment of seven (out of a total staff of nine) tribal members on the ASHAI staff.

(4) Two child abuse prevention workshops for 15 tribal members.

(5) A work project for families totally dependent on ANFC federal assistance, leading to self-sufficiency for three of the four targeted families.

As I trust I have demonstrated in this brief outline, ANA has a vital role to play in otherwise neglected Native American communities.

The Abenaki community had the will and determination to lift itself from the abyss of poverty and despair by its own bootstraps. ANA merely provided the means. No other funding source could or would have provided the Abenaki people with a community development organization capable of securing, the resources for a thorough, broad-based community renewal effort enabling the Abenaki to chart a course leading to self-sufficiency, self-determination, economic development, self-esteem and community pride. ANA's role in such initiatives is crucial. There is

simply no substitute for ANA assistance. This is a point which cannot be stressed or emphasized too strongly.

The Abenaki do not seek hand-outs, charity or a perpetual free lunch.

They ask only for the minimum resources and foundation on which they can build a strong, independent and self-supporting community on their own terms and in their own time—the sort of proud and self-sustaining society they had 300 years ago, before they were so rudely interrupted. ANA provides the necessary and appropriate vehicle to this end. The Abenaki themselves will provide the initiative, determination, leadership, will and effort. They seek and ask no more or less.

The following supporting, narrative documents buttress the thrust and direction of this position.

HISTORICAL OVERVIEW/ORGANIZATION HISTORY

The Abenaki Nation once embraced northern Vermont and New Hampshire and southern Quebec, an area occupied by the Abenaki people for centuries. Primarily fishermen and hunters with some minor agricultural endeavors, the Abenaki have historically viewed the Missisquoi region of northwestern Vermont as an important center of habitation. Recent archeological findings have documented continuously inhabited village sites dating back at least 10,000 years.

First contact with European settlers occurred in the early 1600's. As settlement pressures increased, the Abenaki lost much of their ancient homeland to abrogated treaties and a court system which would not recognize traditional Native rights. In order to survive, the Abenaki people found themselves adapting to the white settlers' ways. Further pressure to abandon their traditional way of life was brought to bear on the Abenaki as railroads began to penetrate the region. The lifestyle of centuries was coming to an end and Abenakis were forced to struggle for elusive job security in a cash economy. As a direct result of this transition the Abenaki Nation found itself in a state of limbo, trapped between its cherished, traditional past and the demands of the dominant European society engulfing it.

Over the past decade the Abenaki people have taken it upon themselves to end the deprivation that has been an unfortunate consequence of this transition. Working with various state and federal agencies and officials great strides have been made in restoring the quality of life and aboriginal rights that were unjustly taken away.

As a step on the path of achieving economic and social self-sufficiency, the Abenaki Self-Help Association (ASHAI) was incorporated in 1976 as a charitable, benevolent, democratic and voluntary association. The agency's stated purpose was to enhance the housing, economic, educational, social and cultural conditions of Vermont's Native Americans.

The ASHAI, active for the past nine years, has grown into a broad-based community services agency with a budget of $250,000 and a staff of nine. During the past year the organization has received funding from a variety of state, federal and private sources. At the federal level these sources include the Administration for Native Americans (ANA), the Department of Education, Title IV Indian Education Programs, the Office of Community Services, the Department of Labor and the H.U.D. Section Eight Housing Program.

In addition, at the state level, funds have been received from the Department of Education, the State Housing Authority and the Vermont Council on the Humanities.

The ASHAI, by coordinating the program activities funded by these various sources, has developed a multi-faceted service plan that meets many of the social and economic needs and aspirations of the Abenaki people.

The establishment of an education office offering services in many areas including Adult Basic Education, GED preparation, vocational training and Early Education (pre-school and kindergarten) have been among ASHAI's major achievements.

The most visible accomplishment has been in the field of housing. After 2½ years of development and construction, the Abenaki Housing Project was opened in the spring of 1982. The six duplexes containing twelve units ranging from two to four bedrooms, with one unit custom designed and constructed for a handicapped family, will provide safe, secure, and low cost housing to members of the Abenaki community.

The scope of this accomplishment is illustrated by the fact that the ASHAI is the first private non-profit agency in the of State of Vermont to complete such a housing project entirely on its own initiative.

Major accomplishments have also been recorded in the field of economic development. Activities in this are are currently focused on the establishment of a highway

contracting firm. Working closely with the Vermont Department of Transportation the firm was launched and started work two summers ago.

*Community Needs.*—The following information has been compiled from several sources: an ASHAI needs assessment completed in 1980 and updated in 1982, statistics from Vermont Profile of Poverty—1983 (VPP) published by the Vermont State Economic Opportunity Office, A report on the 1982/83 school year Title IV Indian Education Public Health's Department of Vital Statistics.

The information gathered showed that Vermont Native Americans were truly among the poorest of the poor. In all categories—income, employment and education among others, the Indian lagged far behind the non-Indian population.

The needs assessment survey made clear that poverty was the common thread that united the fabric of Native American in life in Vermont.

1. *Employment and Income.*—It has been documented that 80% of the Vermont Abenakis fall below H.H.S. low income guidelines. Of this figure 32% of the production can be classified as low income, 37% can be classified as very low income, and another 11% are unspecified low income.

Thirty-eight percent of Native Americans in Vermont fall below what were community Service Administration poverty levels. In comparison only 12% of non-Indian Vermonters fall below these same guidelines.

The same disparity between Indian and non-Indian is evidenced by mean income levels. The mean Native American income in the state is $12,079.00. This compares to a mean income in the white population of $19,816.00.

It was found that 40% of the Abenaki community had no earned income and were supported by a variety of public sources. An additional 20% receive at least some degree of public support.

The unemployment rate for Native Americans in Vermont consistently ranges between 40 and 50%.

2. *Education.*—The educational deprivation of Vermont Native Americans in comparison with their fellow Vermonters is overwhelming. Approximately one in four Native American youth are still not completing high school. An additional 16% left school between the ninth and twelfth grades.

Research has shown that this educational deprivation begins to manifest itself with the child's first contact with the school system.

Metropolitan achievement Test scores administered during the fall of 1982 to entering first graders revealed that only one in four Abenaki children were first grade ready. Test scores furnished by Swanton and Highgate elementary schools (areas representing highest concentration of Abenaki children) revealed the following information regarding twelve Abenaki first graders: 5 children w/scores D & E (deficit), 4 children w/scores C (borderline), 3 children w/scores A & B (grade level).

In addition the Abenaki first grade retention rate last year was 25% significantly higher than that of the non-Indian population.

These negative educational experiences first encountered are only compounded as the children proceed through the system. Further examination of past Metropolitan Achievement Tests administered district-wide in grades one through six, reveals the median percentile rank of Native Americans to be considerably lower than for the other younsters in the school district.

It is no wonder we witness high-drop out and other academic/emotional difficulties among the Abenaki population. The Abenaki student comprises 8.33% of the Franklin Northwest Supervisory Union's student body. Yet, the Abenaki comprises 13% of the students served by Title I, ESEA 89-10 and 19% of the students served by Special Education PL 94-142.

At the junior-senior high school level, the Abenakis account for 11.2% of the student body. The percentage of total drop-outs for the years available show a much greater percentage of Abenaki rate in relation to the total drop-out rate for the school. The source for this information is the official school register of the Missisquoi Valley Union High School.

| | *Percentage* |
|---|---|
| 1972-73 | 33 |
| 1973-74 | 43 |
| 1974-75 | 53 |
| 1975-76 | 59 |
| 1977-78 | 41 |
| 1978-79 | 32 |
| 1979-80 | 32 |
| 1980-81 | 28 |
| 1981-82 | 38 |

The severity of these statistics is compounded by the lack of vocational training opportunities available outside the school system. During the last community survey it was found that only a statistically insignificant number of individuals (11) had received any formal vocational training. It is important to note, however, that among this group the unemployment rate was 10% compared to a 50% rate among the rest of the Indian population.

3. *Housing:* The housing quality in the Native American community ranges from comfortable and secure to unsafe and inadequate. Between ten and fifteen families live in rundown shacks, converted box cars, or deteriorating trailers. A few houses have dirt floors and no plumbing.

Forty-eight percent of the households reported a need for more adequate insulation and weatherization. Thirteen percent reported inadequate plumbing.

The amount of disposable income that must be utilized to pay housing cost is a growing concern. Thirty percent of the households spend more than ¼ of their income on housing costs. Twenty-five percent of the households spend over fifty percent.

4. *Health:* Sixteen percent of the Abenaki community currently have unmet health needs. Fifty-six percent of this group state that it is the inability to pay that prevents them from seeking treatment.

10% of the population report that they have not had a physical exam within the last five years. In related areas 48% report that it has been over 24 months since their last eye exam. The following indicates the frequency of reported medical problems:

| | *Percent* |
|---|---|
| Vision | 44.5 |
| Muscles/back | 34 |
| Arthritis | 31.2 |
| Emotional/nervousness | 29.8 |
| Physical handicaps | 20.5 |
| Heart | 17.7 |
| Stomach | 17.7 |
| Allergies | 15.2 |
| Hearing | 14.9 |
| Breathing | 14.8 |
| Diabetes | 14 |
| Blood pressure | 14 |
| Ulcers | 7.8 |
| Cancer | 6.4 |
| Asthma | 4.9 |

Alcohol abuse remains a serious health problem for the Native American community.

Twenty-seven percent of the community report that alcohol usè is a serious problem in their households.

A drinking related arrest was reported by 16.4% of the Native American population. In 48% of the households in which drinking is a problem at least one member has been involved in a drinking related automobile accident.

5. *Teenage Pregnancy:* A growing problem in the Native American community is the high rate of teenage pregnancy. Statistics acquired from birth records in the towns of Highgate and Swanton and from St. Francis/Sokoki Band membership records show that there exists a substantially higher rate of teenage pregnancy in the Native American population than in the total county or state population of females aged 15–19. The severity of this problem is highlighted by the fact that the Native American figures are under-counted because only live births and not fetal deaths or elective abortions, figures which were included in the following statistics from the State Public Health Department, are listed.

[In percent]

| | Native American [1] | Franklin County | VPHD State [2] |
|---|---|---|---|
| 1979 | 20 | 7.5 | 7.3 |
| 1980 | 28 | 9.2 | 6.8 |
| 1981 | 18 | 8.7 | 7.0 |
| 1982 | 25 | 7.8 | 6.4 |

[1] Based on live births of all Native American females 15–19 living in the towns of Highgate and Swanton.
[2] Based on live births, fetal deaths and elective abortions per 1,000 females 15–19 years of age.

Mr. KILDEE. Mr. A. Van Horn Diamond, from Honolulu.

Mr. DIAMOND. Mr. Chairman, members of the subcommittee, for Alu Like I am privileged and pleased to affirm and convey the aloha of our organization and to thank you for this opportunity to testify in favor of the continuation of the Administration for Native American programs.

My name is A. Van Horn Piimauna Diamond, economic development director of Alu Like. I am here today to represent Alu Like in these proceedings.

We have also provided testimony from our chief executive, Winona Rubin, which hopefully will be included in the proceedings.

Mr. KILDEE. Yes, that will be made a part of the official record.

[The prepared statement of Winona Rubin follows:]

PREPARED STATEMENT OF WINONA E. RUBIN

Mr. Chairman, members of the Subcommittee on Human Resources, on behalf of the Alu Like Board of Directors, we extend our aloha and appreciation for being invited to present testimony on the Native American Programs Act.

I am Winona Kealamapuana Ellis Rubin, Chief Executive Officer of Alu Like, Incorporated, a private non-profit community-based statewide organization with approximately 14,000 members which has as a primary public purpose that of assisting Hawaiian natives to develop economic and social self-sufficiency.

Alu Like is over ten years old and is funded from several sources—including the Administration for Native Americans (ANA) of the U.S. Dept. of Health and Human Services, the Division of Indian and Native American Programs (DINAP) of the U.S. Department of Labor, the State of Hawaii, local counties, foundations and individual contributions.

Based upon Alu Like's experiences since 1975 as the first Hawaiian grantee nationally and our knowledge of other ANA grantee success stories, Alu Like strongly supports the reauthorization of the Native American Programs Act. Let me recount the reasons for Alu Like's position.

1. The Administration for Native Americans has enabled Native American Indians, Alaskan natives, and Hawaiian natives to have a primary role in identifying and designing programs and strategies to address the problems of our communities.

ANA funding of Alu Like, Incorporated is responsible for the first federal assessment of the needs of Hawaiians, initial plans for action and the implementation of the plans over the past several years. At this time, Alu Like's research and data collection about Hawaiians is the most comprehensive in the State. (Appendix A lists some of the Hawaiian native problems for which ANA and other assistance has been needed.)

ANA funding of Alu Like, Incorporated is responsible for establishing a network of our Island Centers on each of the five major islands through which local Hawaiian community priorities prevail and identified needs can be resolved without duplication of existing services for approximately 179,000 Hawaiians.

2. The Administration for Native American funds programs to strengthen Native American organizations which foster economic independence rather than dependence and productivity through job creation, business assistance and related programs resulting in social as well as economic self-sufficiency of Native Americans.

Alu Like has assisted in the employment and training of approximately 9,000 Hawaiians and other Native Americans since 1978. Over the past few years Alu Like has done this at a cost below the national average and at an unsubsidized placement rate above the national average. ANA's technical assistance provided Alu Like the capacity to pursue and obtain resources to do this.

Alu Like has assisted approximately 350 potential and existing entrepreneurs with information and/or technical assistance both directly and jointly with other public and private sector entities. ANA's resources can help Hawaiians to become active participants in the free enterprise system.

Alu Like has and is serving as a catalyst for economic development plans and activities by the State Department of Planning and Economic Development, the County of Maui and other entities for implementing joint ventures on Moloka'i. A

cooling facility proposed three years ago by Alu Like to enable expansion of economic opportunities on Moloka'i will become a reality in 1986.

3. The Administration for Native Americans serves a unique agency function of addressing all Native Americans, whether we be rural reservation and non-reservation or urban American Indians, or Alaskan natives or Hawaiian natives in urban and rural communities. Also, because of the breadth of its assistance and policies the Administration for Native Americans is possibly the only source of innovative and creative funds for Native Americans.

Through an interagency agreement between the Administration for Native Americans (ANA) and the National Institute for Mental Health (NIMH), Alu Like piloted the Hale Ola O Ho'opakolea project in Waiane which combined efforts of the State Mental Health Division, University of Hawaii Department of Psychiatry, human service agencies and community representatives. Hale Ola has identified over 100 community care givers/natural healers and has provided direct individual counseling assistance to over 800 Waianae Coast residents. Hale Ola has been incorporated by a community board, no longer will be receiving ANA funds, and will receive State Mental Health Division and private funds.

Through an ANA and NIMH interagency agreement the Most-In-Need (MIN) Project on Moloka'i was initiated and became recognized as a national model for similar projects across the country. The MIN project focused on youth 12–14 years of age for whom there were gaps in services and coordinated activities resulting in growing pre-delinquency problems. Changes were initiated at Moloka'i School, and Moloka'i Youth Center was reorganized so that approximately 1,000 youth are being served annually. An additional outcome has been the development of a mental health project for families currently funded by the State Mental Health Division.

In collaboration with the State Department of Education and the Haleiwa Elementary School faculty, parents and community association Alu Like with ESAA funds piloted the Halau O Haleiwa project which provided language arts to K–3 youngsters using Hawaiian concepts. It was so successful in raising stanine levels of youngsters from land 2 to 3 and four that after the second year of a 3-year project the State Department of Education's central school district took over the project.

4. The Administration for Native Americans has successfully leveraged federal funds to expand resources available to safeguard Native American well-being and to empower Native Americans to influence changes in the public and private sector which impact Native Americans.

Alu Like has worked with approximately 714 public and private agencies statewide in facilitating projects and activities focused upon the identified needs of Hawaiians.

Memoranda of Understanding, letters confirming relationships of mutual support and regular meetings of administrators of public and private agencies as well as Hawaiian agencies (Hawaii Services Institutions and Agencies) have resulted in jointly sponsored activities, such as: entrepreneurship training workshops, native Hawaiian verification computer programming project, Hawaiian Studies Conference and follow up activities, Hawaiian Health Research Consortium Study, first Statewide Kupuna (Elders) Conference conducted totally in Hawaiian, approximately 190 projects addressing identified needs, community forums on pubic issues.

As one example, on the island of Moloka'i whose population is about 60% Hawaiian natives, where the unemployment average is approximately 20%, where the cost of electricity is the highest in the nation and where economic conditions are severe, Alu Like—Moloka'i Island Center has leveraged $4 in local public and private resources for every $1 of ANA funds received.

The results: over 1000 youth are served through the Moloka'i Youth Center funded by the county of Maui and other private resources; approximately 147 children and their families have been assisted in a state-funded Alu Like mental health project arising out of the Most-in-Need project; more than 669 participants have been provided employment and/or training by Alu Like in about 28 businesses and local agencies; approximately 40 agencies comprise an Ohana (family) of agencies which collaborate in joint programs and cooperatively plan together to make maximum use of resources while avoiding duplication and gaps in services.

Approximately 190 projects have been implemented which involved collaborative efforts and combined resources with other public and private sector partners on the five major islands. Additional resources are needed to address more of the identified needs in education, health, human services and economic development.

Alu Like's accomplishments in addressing the needs of Hawaiian natives, which we highlight briefly, have been due in large measure to the use of and the leveraging of funds from the Administration for Native Americans through the Native American Programs Act.

Approximately 9000 Hawaiian natives since 1978 have been provided employment and training assistance by Alu Like at an average cost below the national average and at an unsubsidized placement rate above the national average. (Note: in 1984 Alu Like's average cost per unsubsidized placement participant was $1200 and the average unsubsidized placement rate was 75%.)

Approximately 350 Hawaiian native potential and existing entrepreneurs have been provided information or business assistance advice and training through Alu Like directly or jointly through private and public sector linkages. (Note: Although Hawaiians comprise 19% of the State population, in 1980 only 4-6% of minority business enterprises in Hawaii were owned by Hawaiians.)

Approximately 190 projects of varying sizes and other activities have been initiated to address identified needs in cooperation with 714 public and private agencies in the State.

Alu Like's established credibility and accountability has enabled it to assist local community groups and individuals to obtain resources from the public and private sector to address some of the identified needs.

Through Alu Like's example Hawaiian natives have demonstrated that with training and technical assistance the cultural strengths of our native peoples can be integrated with management by objective operations to successfully deliver services and address community needs. By Alu Like's success we have helped to offset long existing negative stereotyping of Hawaiians.

The Administration for Native Americans has been instrumental in assisting in the initial evolution toward self-sufficiency for Hawaiian natives. These years of transition ahead for Hawaiians are crucial and ANA will make the difference.

The failure of Congress to reauthorize the Native American Programs Act will result in destroying the best means of addressing needs of all Native Americans through enabling Native Americans to develop the skills and strength to help themselves from any dependency to being productive partners in building a great nation.

Congess in its wisdom created and reauthorized the Native American Program Act with successful outcomes. We urge you to reauthorize the measure and to maintain and even expand appropritations to support the Administration for Native Americans until Native American communities have successfully implemented the Administration for Native American Social and Economic Development Strategies.

We appreciate the opportunity to present this statement in support of the reauthorization of the Native American Programs Act.

Mahalo nui loa (Thank you very much).

## Appendix A

### Data on Hawaiians

There are approximately 179,300 Hawaiians or 19% of the population in the State of Hawaii:

Of this number, 45.3% are 19 years of age and younger. Median age is 22.8 years compared with 38.4 for the state.

Of the 463,000 adults in the State, 14% are Hawaiians.

Of the 63,000 Hawaiian adult workforce, approximately 10% are unemployed (nearly double the State Level).

Of the Hawaiian households, 39% have 5 or more persons and 35% do not have income sufficient for their family size.

Of the Hawaiian families, 15.1% are living below poverty level compared to 7.8% of total families in the State; of those in poverty in the State, more than 40% are Hawaiian; approximately 24% are on welfare.

46% of adult inmates are Hawaiian.

The life span of Hawaiians is nearly 7 years less than that of the total population in the State:

Hawaiians are among those with the highest incidence of cancer in the nation.

Hawaiians have the highest incidence of chronic heart trouble and diabetes in the State.

Hawaiians rank second in the State in incidences of circulatory diseases.

More than 2% of our elderly are not covered by any health or medical insurance.

Hawaiians account for 22.3% of alcohol and drug abusers and only 3.6% receive treatment.

Of the males in the State aged 15-24 who are suicides, 31% are Hawaiians.

Of the 162,000 public school students in the State, 34,000 (21%) are Hawaiian:

Of the 8,000 public school teachers, only 6% are Hawaiian.

Of the 224 public schools, 25 have enrollments of 40% of more Hawaiian.

Of the 5,000 students in those intermediate/high schools, 33% have been absent 20 days or more a year.

Of the 34,000 Hawaiian students in public schools, approximately 12,900 (34-38%) are in stanines 1-3 (equal to 0-22 %ile) for SAT reading compared with 24% for the State.

Of learning disabled youth in the public schools, 1,236 or 76.5% are Hawaiian.

Of approximately 72,000 Hawaiians age 25 and older, 32% have not finished high school.

Of the college students in the State, Hawaiians comprise 11% (community college); 4% (University of Hawaii-Manoa).

Only 8% of Hawaiians over 25 years have completed 4 or more years of college.

Hawaiian youth aged 15–19 comprised about 13% of the Hawaiian population:

Of these 22,800 youth, 55% are male and 45% are female.

Of these males, 33% of those looking for work who have not finished high school, are unemployed.

Of these females, 55% of those looking for work who have not finished high school, are unemployed.

Of the youth in correctional institutions, 66% are Hawaiians.

Of all Hawaiian children, 16% are living in households with female heads compared with 7% of all children in the State.

Elderly Hawaiians aged 65 and older comprise about 3% of the total Hawaiian population:

Of these 5,600 elderly Hawaiians, 46% are male and 54% are females.

Of these elderly, 8% are not registered for Medicare and 2% lack both Medicare and private health insurance.

Of the total aged 65 and older population, Hawaiian elderly have the youngest median age of 67 compared to 74 years for the State.

ANA IMPACT ON MOLOKA'I ISLAND

Alu Like—Moloka'i Island Center provides an example of the impact of funds for the Administration for Native Americans (ANA) in leveraging its resource. For every $1.00 in ANA funds received, the Moloka'i Island Center has obtained $4.00 from other resources.

| Activity/project | Duration | Number assisted | Cooperating agencies |
|---|---|---|---|
| Most-In-Need (MIN) | 1980–82 | 600—ages 12 to 14 | 11 |
| Makahiki (Annual Event) | 1981 to date | 2,000 each year | 6 |
| Mental health | 1982 to date | 147 plus their families | 6 |
| Family planning | do | 656 | 4 |
| Molokai Youth Center | 1980 to date | 4,655 | 7 |
| Ho'okele education | 1984 | 58 | 4 |
| Employment and training | 1978 to date | 669 | 281 |
| Business assistance | 1983–84 | 22 (referrals to DHHL) | 1 |
| | 1984–85 | 37 | 3 |

Note.—The island of Moloka'i encompasses 261 square miles. The population of the island is 5,889 of which over 60% are Hawaiian natives. The closing of two pineapple companies has resulted in an unemployment rate of over 20%. (versus 5.8% for the State as a whole) with 34% of the Hawaiian population receiving public assistance. Unemployment is significantly higher among those under 25 years old due to limited job opportunities and the number of youth having fewer job skills. A 1979 Alu Like study showed that less than half of the island's population were high school graduates while one-third of the homes on the island were in poor physical condition.

Mr. DIAMOND. Thank you, sir.

First and foremost, I guess, is we are here in favor and speaking in support of the administration for Native American programs.

Without this act and the ANA, the Hawaiian as a Native American would be weakened.

In turn, enabling the Hawaiian community to address its priority needs as well as to achieve its self-sufficiency, which would be adversely impacted without the support available and accessible through and from the Administration for Native Americans.

As briefly as possible I shall try to underscore each of the points stated.

First, the Native Hawaiian until 1985 was included in the Native American provision only under the Job Training Partnership Act and its predecessor legislation, CETA, and the Native American Program Act, which is the ANA.

With 1985, the Native Hawaiian is recognized as a Native American under the Carl B. Perkins Act regarding vocational education, and the Library Services and Construction Act.

However, the Native Hawaiian is not yet covered as Native American in statutes regarding housing, health and education, to name three.

Second, the Hawaiian community has identified its priority needs to be education, employment/economic development, health, housing and native rights. This, too, has governed Alu Like's program focus.

The availability of ANA resources and support has enabled Alu Like, for example, to promote and establish programs and initiatives which address these needs.

Throughout, the support of ANA enables the Hawaiian community and Alu Like itself to chart its own course in attaining socio-economic self-sufficiency.

Further, because of ANA fund support, Alu Like is presently implementing a community—what we call a competence education program.

During the next 10 to 18 months, Alu Like in collaboration with the State Department of Hawaiian Home Lands, the Hawaiian civil clubs, Hawaiian homestead associations, and the support of Hawaiian institutions and agencies, will be conducting workshops and forums throughout the State of Hawaii.

The subject matters will include personal and corporate goal setting to achieve one's potential, strategic and long range planning, identifying and understanding existing governmental processes such as landuse and community planning, grants writing for corporate funds, foundation moneys, government grants, the examination of senior citizen housing on Hawaiian homestead land, which presently does not exist, and developing basic community enterprise skills in order to deal with financial institutions as communities.

From our experience and perspective, the ANA through its programs has been and is invaluable. It is a one-of-a-kind resource since its programmatic focus is governed by SEDS, whereas JTPA, another resources, mainly has emphasized job training and placement, a very substantive and yet specialized focus.

Since our recognition as Native American is limited as it is, without ANA the Hawaiian would be sorely disadvantaged in its pursuit of self sufficiency.

Finally, I believe the support and resources provided Alu Like through ANA has enabled Alu Like to make some positive contributions to the general public's perception and response to Native Hawaiian issues and concerns.

For example, Alu Like's ability to articulate an economic picture for the recovery of the Molokai community—the majority of whom happen to be Hawaiian—has been incorporated into a public strategy about to be implemented.

Last year, for example, Mr. Chairman, the Molokai community suffered a 24-percent unemployment while the State had a statewide average of only about 5 to 7. It was due to the shutdown of a Reynolds owned pineapple plantation called Del Monte and their relocation to the Eastern Seaboard.

Our efforts in a number of other areas are responded to by the public and private sector.

We are presently in discussion with the Honolulu Chamber of Commerce to develop a computerized manpower survey of all available high tech professionals and technicians in Hawaii, as well as their training/development needs.

On October 16 of this year Alu Like will make a presentation to the state-sponsored Conference on High Tech in Hawaii.

On October 26 we will be a participant in a State manpower conference. And we are also presently part of deliberations related to the continued refinement and development of a visitor industry.

What I am trying to relate is that Alu Like, with ANA support, has also assisted in bridging Hawaiian and non-Hawaiian peoples. This we believe is a pivotal consideration for the Hawaiian to realize his potential in a timely manner.

Yet, the bridging has happened because of our performance and great support from ANA.

Thank you.

Mr. KILDEE. Thank you very much for your testimony.

[The prepared statement of A. Van Horn Diamond follows:]

PREPARED STATEMENT OF A. VAN HORN DIAMOND

Mr. Chairman and Members of the Subcommittee on Human Resources for Alu Like, Inc., I am pleased and privileged to both affirm and convey our Aloha to you and to thank you for this opportunity to testify in favor of the Native American Program Act; therefore, the Administration for Native Americans.

My name is A. Van Horn Piimauna Diamond, Economic Development Director of ALU LIKE Inc. I am here today to represent Alu Like, in these proceedings.

ALU LIKE's Chief Executive Officer, Winona Kealamapuana Ellis Rubin, has provided testimony, for your perusal and information, on behalf of Alu Like, Inc. Please receive her statement for inclusion in the record of these proceedings. Moreover, her testimony is clear and descriptive regarding Alu Like, Inc. and why we support continuing the Native American Program Act and the Administration for Native Americans (ANA) Thank you.

With your permission, I shall try to briefly comment on Alu Like and ANA. Likewise, it is hoped my relatively brief remarks will be duly considered and incorporated as well into the records of these proceedings. Again, thank you.

First, please continue the Administration for Native Americans and, therefore, the Native American Program Act. Without this Act and ANA, the Hawaiian as Native American would be weakened. In turn, enabling the Hawaiian community to address its priority needs as well as to achieve its self-sufficiency would be impacted without the support available and accessible through and/or from the Administration for Native Americans.

As briefly as possible, I shall try to underscore each of the prior points stated:

1. The Native Hawaii, until 1985, was included in the Native American provision only under the Job Training Partnership Act (JTPA) and the Native American Program Act. (JTPA's predecessor program, CETA, recognized the Native Hawaiian as Native American). With 1985, the Native Hawaiian is recognized as a Native American under the Carl B. Perkins Act regarding vocational education and the Library Services and Construction Act. However, the Native Hawaiian is not yet covered as Native American in statutes regarding Housing, Health, Education to name three.

2. The Hawaiian Community has identified its priority needs to be education, employment/economic development, health, housing, and Native Rights. This too has governed ALU LIKE's program focus. The availability of ANA resources and sup-

port has enabled, ALU LIKE, for example, to promote and establish programs and initiatives which address these needs.

3. Throughout, the support of ANA enables the Hawaiian community and ALU LIKE itself to chart its own course in attaining socio-economic self-sufficiency. Further, because of ANA fund support, ALU LIKE is presently implementing a community competence education program. That is, during the nest 12-18 months, ALU LIKE, in collaboration with the Department of Hawaiian Home Lands, the Hawaiian Civic Clubs, Hawaiian Community Associations, and the support of Hawaiian institutions and Agencies will be conducting workshops and forums—throughout the state of Hawaii. The subject matter will include: (a) personal and corporate goal-setting so to achieve one's potential (b) strategic and long-range planning (c) identifying and understanding existing governmental processes, e.g. land use, community planning (d) grantwriting for corporate funds, foundation monies, government grants (e) examination of senior housing on Hawaiian Homestead Lands (f) developing basic community enterprise skills in dealing with financial institutions.

Clearly, from our experience and perspective, the Administration for Native Americans, through its programs, has been and is invaluable. It is a one of a kind resource since its programmatic focus is governed by its Social and Economic Development Strategy (SEDS) policy. Whereas, JTPA, another resource, namely has emphasis on job training and placement—a very substance yet specialized focus. Moreover, since our recognition as Native American is limited as it is, without ANA, the Hawaiian would be sorely disadvantaged in the pursuit of its own self-sufficiency.

Finally, I believe the support and resources provided Alu Like, by and/or through the Administration for Native Americans, has enabled Alu Like, Inc., to make positive contributions to the general public's perception and response to Native Hawaiians concerns, issues etc. For example, Alu Like, ability to articulate an economic picture for the recovery of the Molokai community—the majority of whom are Hawaiian native—has been incorporated in the public strategy about to be implemented.

Our efforts in a number of areas are being responded to by the public and private sector. We are presently in discussion with the Honolulu Chamber of Commerce to develop a computerized manpower survey of available Hi-Tech professionals and technicans in Hawaii as well as their training/development needs. On October 16, 1985, Alu Like, will make a presentation to the State-sponsored Conference on Hi-Tech in Hawaii. On October 26, 1985, Alu Like, will be a participant in the State Manpower Conference. Alu Like, is presently part of deliberations related to the development of a "better" visitor industry.

What I'm trying to relate is Alu Like, with ANA support, has also assisted in bridging Hawaiian and non-Hawaiian peoples. This, we believe, is a pivotal consideration for the Hawaiian to realize his potential in a timely manner. Yet, the bridiging has happened because of Alu Likes, performance and positive, progressive orientation. ANA has helped us to earn that respect.

Mr. KILDEE. You mention in your testimony that with ANA funds you are able to leverage additional moneys. Could you expand on that? What kind of other dollars are you able to generate because of your ANA support?

Mr. DIAMOND. Surely. With the ANA support we have been fortunate enough to, for example, on the Molokai initiative receive dollars from EPA where we will be providing training and technical assistance to the developing aquaculture, and that is about to be implemented.

We have also received funds from the State legislature on a consistent basis.

We have also been lucky enough to develop some contractual arrangements for delivery of services like on the island of Molokai for single parent families, for those that aren't employed, in addressing the impact that they have had relative to unemployment.

We are presently—we have just signed off on an arrangement with Honolulu's Private Industry Council in which we will jointly address and use resources together in addressing an announced RIF which will—the letters are expected to go out Friday, the 13th, and they will be RIF'd by November 15 from Pearl Harbor Ship-

yard. The maximum total is projected to be about 550, reducing that shipyard from 6,500 down by 500 or so. The low side is probably about 300.

We are using that in terms of our JTPA money to leverage in order to service the larger Hawaiian need together.

We are pursuing that computer one with the chamber of commerce, who is also in pursuit of a grant. That will total to $75,000.

Those are some, sir.

We have also leveraged in another direction, which is equal employment, and that is through the development of the community.

For example, on the island of Hawaii we have the first Native Hawaiian FCC certified radio operator. He is now in the process of dealing with the SBA to receive funds to construct a community based radio.

On the island of Maui we are in negotiations with Nature Conservancy in order to receive 22 acres in order to serve as lessor for some Hawaiian families to put up an enterprise in a very isolated area called Hana, which will have a cultural as well as agricultural base, which will employ most of the people.

We also are in the final stages of negotiating a contract to manage a fishery project for our tuna industry, for the county of Maui.

And that is it. Those are some, sir.

Mr. KILDEE. Very well. You mentioned the Carl D. Perkins Vocational Education Act. I was happy to have offered the amendment to raise the setaside for Native Americans higher and include Native Hawaiians in that, so they could participate in that.

Mr. Heftell and Mr. O'Conkle brought that to my attention, and were happy to have it.

Mr. DIAMOND. Thank you, and so are we. It is most appreciated.

Mr. KILDEE. Thank you very much.

A couple of background questions. Mr. Martin, what is the membership of your Choctaw Tribe of Mississippi Band?

Mr. MARTIN. It is near 5,000. At one time we were down to less than 1,000.

Mr. KILDEE. How much tribal reservation land do you have now?

Mr. MARTIN. A little over 18,000 acres.

Mr. KILDEE. Has that been increased in recent years? Have you acquired more land?

Mr. MARTIN. We are in the process of acquiring additional land. Because of our growth and expansion we need additional land.

Mr. KILDEE. And on the tribal land, you exercise tribal government authority, is that right?

Mr. MARTIN. Yes, sir. Law and order, everything.

Mr. KILDEE. So the sovereign to sovereign relationship is pretty well maintained there?

Mr. MARTIN. Yes; and we have a good working relationship with local authorities, law and order and other relationships.

Mr. KILDEE. In Vermont, what is the tribal membership of the Abenaki?

Mr. CHRISTENSEN. Our total tribal membership, on our rolls we show maybe 1,000 people. In the immediate community we deal with that the Abenaki Self-Help Association addresses, we are talking 400 people at the most.

Mr. KILDEE. Are they federally recognized?

Mr. CHRISTENSEN. We are not federally recognized.

Mr. KILDEE. Are you seeking Federal recognition?

Mr. CHRISTENSEN. We are seeking Federal recognition.

Mr. KILDEE. Are you State recognized?

Mr. CHRISTENSEN. No, we are not. There was—Representative Jeffords may be familiar with the situation—there was an Indian commission under Governor Salmon, I believe, which was simply allowed to end under the succeeding Governor Snelling.

And we have opened negotiations with the current Governor, Madeline Kunin. We have met—tribal leadership has met with her aides and very little has come of it so far.

Mr. KILDEE. But you are in the process now of——

Mr. CHRISTENSEN. We are in the process. It is a long, difficult and involved process and we have very marginal resources.

Even though a lot of the genealogical research has been completed over the past 8 years, our resources are still so limited that the job only gets done in very small increments and very slowly, I am afraid.

Mr. KILDEE. For your own internal tribal membership do you use a blood quantum? Do you determine that?

Mr. CHRISTENSEN. Yes, we do.

Mr. KILDEE. Is that a quarter blood?

Mr. CHRISTENSEN. Yes, sir, generally quarter blood.

Mr. KILDEE. Are you getting any technical assistance from the BIA on trying to prepare your application for Federal recognition?

Mr. CHRISTENSEN. No. The initial document, the initial petition document of 300 or 400 pages, prepared by an anthropologist from Dartmouth who had done the research by the name of John Moody, and rewritten by another consultant, David Buchdal, was submitted in, I believe, 1981 or 1982.

The BIA sent us a two page letter with an inventory of deficiencies and that is largely the extent of our communication with the BIA.

When we looked at the deficiencies and attempted to address them, largely by looking at a related band in Quebec, the Odanuk Band of Abenaki, we uncovered so much more information, that in the process of gathering that and rewriting it for the new BIA petition, that is where we are stalled basically.

We just uncovered a vast body of genealogical information that wasn't in our original petition.

Mr. KILDEE. I know this is beyond the ANA, but whenever I get people who are expert in this area I like to increase my information and knowledge.

Do you have land that is owned in common by the Abenaki Indians?

Mr. CHRISTENSEN. Only the site of Abenaki Acres. Only the site of the housing project. We have no land whatsoever that is held in common by the tribal members.

Mr. KILDEE. Thank you very much.

Mr. Jeffords.

Mr. JEFFORDS. Thank you. You asked many questions I had on my mind.

I first of all want to commend you on the tremendous work you have done in representing the Abenakis. Your very articulate and thoughtful statements certainly moved me when I read them. I deeply appreciate your coming here and expressing your concern for the Abenaki.

I would like to say that your testimony is somewhat in contrast to other testimony we have had, in the ability to use ANA successfully and to bring about some improvements.

I wonder if you could reflect, if you want to pat yourself on the back that is all right, too, but your testimony seems to be in contrast to some of the others, especially in the off reservation Indian peoples.

Could you give us an idea of why you have succeeded, perhaps, and others did not?

Mr. CHRISTENSEN. You know, in the best of all possible worlds it would be nice of the Administration for Native Americans was more flexible and offered broader parameters for its programs.

But as I say, the structure of ANA, the requests for proposals since 1981 do kind of channel your concentration into just that, economic development strategies. They are designed around that.

And at least for me personally, again as an administrative and grants writer, we worked in that end. I have really had to think, you know, what kind of things are feasible, what kind of capital can we leverage, what kind of plan is going to be required, what are steps one, two, three, four, five, six that are going to make this business successful?

And not only myself but the tribal council and my board of directors and individual members of the tribe who were very interested in business.

I think the current ANA process compels you to think and it compels you to make the transition from a public sector bureaucrat addressing merely social service needs and sometimes goals that are immeasurable into, you know, a kind of hard-nosed, private sector businessman.

You know, you either make that transition or you either won't get funded or if you do get funded your project will be initially unsuccessful and you won't get refunded.

You know, necessity becomes the mother of success as well as invention, I think, particularly in our case where this is the only shot we have at any kind of tribal development.

If we fail at ANA, essentially our organization will collapse, to be perfectly blunt about it.

Mr. JEFFORDS. Thank you very much.

Thank you, Mr. Chairman.

Mr. KILDEE. You stated that very clearly.

A few other general questions here. Perhaps any of the three of you can jump in if you have got part of the response or maybe other comments on it.

Among the various Indian programs which the Federal Government has established, how important is the Native Americans Programs Act and what makes that program unique?

Mr. Christensen, you indicated that that program keeps you going.

Mr. CHRISTENSEN. Without Federal recognition certain key programs that—and I have worked with federally recognized organizations in Alaska previous to my experience in Vermont—without Federal recognition, you know, BIA sources of funds, which I have also heard criticized here today, but are sources of funds, and the Indian Health Service—you just simply don't have access to those funds.

That leaves you, in terms of allocations for Native Americans, that leaves you with Indian education and the Administration for Native Americans, and some of the current JTPA money, which incidentally tends to dovetail very well with ANA initiatives.

In those terms, ANA is critical, is crucial. There is just—I can't stress the point too strongly, in answering your question. There is just absolutely no substitute for the Administration for Native Americans.

Mr. KILDEE. Have you been involved with other native Americans before you went to Vermont?

Mr. CHRISTENSEN. Yes; between 1978 and 1982 I worked for the Manelek Association in Northwest Arctic, AK.

Mr. KILDEE. Thank you very much.

Does anyone else want to comment on that question of what makes ANA unique?

Mr. MARTIN. Yes; in two ways to me. ANA is very flexible. Even though they do make some requirements, it is not categorized.

Second, as I thought I pointed out earlier, ANA will contract with you without any notion of conflict of interest.

When you contract with, say, the BIA, you are automatically going to—for the same money. So, you establish some strong discouragement there, to discourage you, or they could even cause you to fail.

So, that is what I see as the difference.

Mr. DIAMOND. As I stated in the testimony, our coverage relative to being recognized as native Americans is really only limited at this point in time to the Carl B. Perkins Act, the Library and Construction Act, and ANA, as well as JTPA.

So, all the other programs that might be available under the native American category proviso does not apply to us.

So, we have to go out and utilize what other funds, ANA, again underscoring the flexibility, provides us the flexibility in order to go out and leverage additional dollars. And it enables us to pursue our own resources.

The State Department on Lands has a trust responsibility for what is called ceded lands in Hawaii.

The rest of the Hawaiian population, which is about 90 percent of what is now defined as native Americans, are not covered by the programs.

So, that is another difficulty that we face at the State level. The definition in the State, that is why we have to work with the Department of Hawaiian Homes in order to develop some resources for themselves.

They are totally dependent on the State legislature for their own operation.

Mr. KILDEE. In Hawaii, do you have any recognition or any protection afforded in the annexation documents when the United

States annexed Hawaii? Are there any guarantees for Native Hawaiians?

Mr. DIAMOND. Only providing what, in effect, is executor responsibility to the State government when Hawaii was to become a State, and that was followed through, and that is now reflected in the Department of Hawaiian Home Lands with a quantum definition.

And then more recently, by amendment to the State constitution there is an Office of Hawaiian Affairs, which is also dependent upon the State largess, if you will, and they have two definitions, one that was established back in 1922 that they call Native Hawaiian, and they have another one called Hawaiian.

So, therefore, even the legislation here at the Federal level relative to ANA is better and is also more consistent with Hawaiian culture. There was no quantum. And we are talking about a whole population of almost 180,000, roughly 80 percent of the total State population when you ignore the quantum designation.

Mr. KILDEE. Thank you very much.

Mr. Bruce.

Mr. BRUCE. You have told us how the law operates and why you want to keep it. Are there any things in the statute or law that you would like to see changed so that it would be more effective?

Any or all, what would you like to see changed about the act?

Mr. CHRISTENSEN. I think a gentleman was here this morning from the National Urban Indian Council and he addressed several areas that I think are important and that do—I mean, he did very clearly State some problems with the Administration for Native Americans.

I think that the most significant one was he talked about where they want you to write 3- to 5-year plans and yet you apply for the funding 1 year at a time.

It has struck me for some time that this was very senseless, to structure this very elaborate 3- to 5-year plan when I may have no buckos the next year.

Mr. KILDEE. Mr. Bruce, would you yield a moment on that?

Mr. BRUCE. Absolutely.

Mr. KILDEE. Someone mentioned this morning, too, an appeal process on these grants. Would that be of any assistance, an appeals process?

Mr. CHRISTENSEN. I think an appeals process would be very useful. The time line for preparing an ANA proposal is, in my estimation—and again, you know, I represent an organization where there is—we have a staff of nine. And in terms of preparing a proposal in addition to running the day to day affairs of the organization, that leaves me as grant writer an administrator and one secretary.

Last week I received a proposal, a request for a proposal from ANA which is going to be a very detailed and, again, an elaborate document. And it is due to ANA by October 21, and that is a very short time line.

And among the requirements of the document is a business plan in addition to the grant application itself. It is very difficult to do when you are talking about two people writing and planning and typing and copying and assembling and the whole 9 yards, to do

this and make sure you have jumped through every hoop, as specified.

An appeals process, I think, would be useful because this, you know, gives you a chance to see what the deficiencies were, see what ANA's problems were with the grant, and go back and try again without having to bag an entire year.

Mr. KILDEE. OK.

Mr. DIAMOND. Something else, scheduling of reports, if they could be reconciled with other organizational requirements.

As we go out attempting to fulfill SEDS' intent of self-sufficiency, we also, therefore, are always looking for ways of acquiring additional dollars, either from other governments, agencies, or foundations and corporate givers.

They have accountability requirements, as well, and they all are not necessarily parallel. We sometimes find ourselves, for example, writing a report with a very modest change of category in terms of numbers and accountability from 1 month to the next.

If there could be some flexibility allowed so that we could reconcile these reports so that when one report goes into the State it also goes in to ANA and also goes in for some corporate giver, that would be very helpful.

Mr. KILDEE. We have about 5 more minutes before we have to leave for a vote. Are there any other concluding remarks as to Mr. Bruce's question, or any concluding remarks?

Mr. CHRISTENSEN. In response to what you had asked, sir, I am reluctant to come here and present an inventory of complaints with ANA. But I think another problem is with the Administration for Native Americans and I think Health and Human Services in general is that it often takes 3 to 4 months after the grant has been awarded to have any cash with which to begin.

When you are looking at—again, when you are looking at preparing a progress report, as he mentioned, and the first 4 months of the project here you haven't seen any money with which to begin, it is very difficult to prepare a meaningful progress report because it is difficult to have made any meaningful progress.

I know that that is often the nature of the game, working with the Federal Government, and that it always will be. You know, let's face it, we are spending other people's money here.

But if that time line, if that kind of scheduling for smaller agencies could be tightened somehow, if that gap could be closed, it would be very helpful and more work would get done.

Mr. KILDEE. Mr. Martin.

Mr. MARTIN. I am sure there are problems administratively working with ANA and some of the smaller tribes. But my experience with working with other agencies, like Indian Health Services as I am now, I find ANA administratively, you know—I don't have any problems with them. I have got other problems with other agencies.

Mr. DIAMOND. From our perspective, ANA has been very helpful to Alu Like. They do some nitty-gritty things that are essentially ministerial. They have some impact on how we perform and how we report.

We hope that there would be increased funding, obviously.

Mr. KILDEE. You would concur, then, you want it reauthorized and with sufficient funding?

Mr. DIAMOND. Yes, sir.

Mr. CHRISTENSEN. Enthusiastically.

Mr. KILDEE. Once again I want to thank all the witnesses this morning for their testimony. It has been very, very helpful to this subcommittee.

I look forward to working with you in the future to ensure continuation of what I consider a very, very important program. You certainly have corroborated that with your testimony here today.

The record will remain open for 10 additional days for submissions to the record, either from other people or if you have any additional submissions.

At that, the subcommittee stands adjourned and we will go over and vote.

[Additional material submitted for the record follows:]

[Whereupon, at 11:55 a.m., the subcommittee was adjourned.]

COMMITTEE ON EDUCATION AND LABOR,
*Washington, DC, August 26, 1985.*

MR. WILLIAM LYNN ENGLES,
*Commissioner, Administration for Native Americans, Department of Health and Human Services, Washington, DC.*

DEAR MR. ENGLES: I have been informed by the Congressional Relations Office of the Department of Health and Human Services that you are unable to attend the hearing scheduled for September 12. The Subcommittee feels that your perspective is essential to further our understanding of the progam and its operation. Therefore, it would be appreciated if you would provide two alternative dates between September 12 and September 26 when you would be available to testify so we may hear from you directly.

I look forward to your response in writing by September 12, 1985. Your cooperation in this matter is greatly appreciated.

Sincerely,

DALE E. KILDEE, *Chairman.*

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DEPARTMENT OF HEALTH AND HUMAN SERVICES,
ADMINISTRATION FOR NATIVE AMERICANS,
*Washington, DC, September 3, 1985.*

Hon. DALE E. KILDEE,
*Chairman, Subcommittee on Human Resources, Committee on Education and Labor, House of Representatives, Washington, DC.*

DEAR MR. KILDEE: I am responding to your letter of August 26, 1985, requesting that I testify before the Subcommittee by September 26. Much as I would like to comply with your request, I am unable to appear by that date. In addition to the press work associated with the end of the fiscal year, I have several long-standing commitments to meet with Native American groups that I can not cancel at this time.

In particular, the Administration for Native Americans (ANA) is sponsoring a landmark national conference of Native American urban and off-reservation groups during September 24-27, to which I must devote considerable personal attention. This conference is certainly the most important event ANA will sponsor this year; it may well set the direction for urban Indian affairs for some years to come.

Given your interest in Native American issues, I would like to extend an invitation to you and your staff to attend this conference as observers. I am enclosing some information about the conference for your use, should you decide to attend.

I recognize the importance of the Committee's hearings and I want to be completely responsive of your concerns. As I discussed with Sue Wilhelm recently, I will submit a statement for the record shortly. At any time after the middle of October, I will be available to testify. In the interim, I will be pleased to answer any specific

questions you may have about the program and assist you in making arrangements for attending the conference. Please feel free to call upon me.

Sincerely,

WILLIAM LYNN ENGLES,
*Commissioner.*

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COMMITTEE ON EDUCATION AND LABOR,
*Washington, DC, September 18, 1985.*

Hon. WILLIAM LYNN ENGLES,
*Commissioner, Administration for Native Americans, Department of Health and Human Services, Washington, DC.*

DEAR MR. COMMISSIONER: The Subcommittee conducted a hearing on the reauthorization of the Native American Programs Act on September 12, 1985. Even though you were unable to attend, I would like to make every effort to ensure that the Department's viewpoint is represented in the hearing record. I therefore, would appreciate your response to the questions below.

1. One of our witnesses requested approval to use ANA funds to come and testify. Even though this came in response to a Subcommittee invitation, the request was denied and they were told that this could be seen as lobbying. What legal authority was relied upon by your office in denying the request?

2. When was the SEDS policy implemented? What opportunities for consultation and comment were afforded to Indian, Native Alaskan, and Native Hawaiian groups and organizations? Was the SEDS policy ever published in the Federal Register for public comment? If not, why? If so, when?

3. The August 12, 1985 program announcement indicates that projects which support a grantee in providing training and/or technical assistance to other tribes and Native American organizations are inconsistent with the policies of ANA. Have previous program announcements included this restriction? If so, which ones? Was an opportunity for formal public comment on this provision provided?

4. Please provide information showing the relative distribution and amounts of grants to federally recognized, rural non-federally recognized, and urban grantees since the implementation of the SEDS policy?

5. Please explain the appeals process for unsuccessful applicants. Are new applicants treated differently than continuation applicants? If so why?

6. What types of assistance, if any, do you provide to unsuccessful applicants to promote better quality proposals?

7. For what types of assistance are for-profit organizations eligible? In each of the fiscal years 1984 and 1985, how many for-profit organizations applied for assistance and how many of these were funded? On what provision of the law is the regulation providing eligibility to for-profit organizations based?

I would appreciate a response by October 9, 1985. Your cooperation in this matter is greatly appreciated.

Sincerely,

DALE E. KILDEE, *Chairman.*

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DEPARTMENT OF HEALTH AND HUMAN SERVICES,
ADMINISTRATION FOR NATIVE AMERICANS,
*Washington, DC, October 24, 1985.*

Hon. DALE E. KILDEE,
*Chairman, Subcommittee on Human Resources, Committee on Education and Labor, House of Representatives, Washington, DC.*

DEAR MR. KILDEE: I am writing in response to your letter of September 18, 1985, in which you raised a number of questions about the Administration for Native Americans (ANA).

Your first question concerned the request by an ANA grantee to use program funds in order to testify at Congressional hearings. Assistant Secretary for Human Development Services, Dorcas R. Hardy, has already addressed this matter in her letter to you of September 26, 1985 (Attachment 1). The remaining questions are answered on the following pages.

I also want to take this opportunity to transmit to you Pathway to Self-Sufficiency, a report recently published by ANA. It portrays the substantial progress that many Tribes and other Native American groups are making toward self-sufficiency, and ANA's Contribution to that progress. The report highlights the extremely di-

verse projects ANA has funded throughout the country, having an impact on jobs, businesses, and tribal codes and governmental structure.

I am proud of the role ANA has played in stimulating the progress of American Indians, Alaska Natives, and Native Hawaiians. As Commissioner, I remain committed to doing our utmost to help Native American communities exercise self-determination and achieve self-sufficiency through the development of strong, diversified local economies, locally administered social services, and stable governments and governmental institutions.

If I can provide any further information about our program, please do not hesitate to contact me.

WILLIAM LYNN ENGLES,
*Commissioner.*

Attachments.

*Q.* When was the SEDS policy implemented? What opportunities for consultation and comment were afforded to Indian, Native Alaskan and Native Hawaiian groups and organizations? Was the SEDS policy ever published in the Federal Register for public comment? If not, why? If so, when?

A. The Administration for Native Americans introduced SEDS with grants to 12 tribes and 16 Native American organizations in FY 1981. Based on the success of this limited application of the new funding policy, ANA, in FY 1982, made SEDS the central program vehicle through which to implement its legislative mandate to promote self-sufficiency among Native Americans.

Prior to the implementation of SEDS, then Commissioner David Lester held an extensive series of meetings to discuss the approach and obtain comments from Native American groups. Meetings were held in New York, Boston, Atlanta, Dallas, Denver, Albuquerque, San Francisco, the states of North Dakota, Montana and other locations throughout the country. Through these meeting, SEDS was refined. The comments and concerns of the Native American community played a major role in shaping SEDS policy. The SEDS approach was not published in the Federal Register for comment since there is no requirement to do so either in the Aministrative Procedure Act or otherwise for programmatic priorities in a discretionary program such as ours. The meetings held by the Commissioner around the country served to obtain the views of various Native American groups.

*Q.* The August 12, 1985 program announcement indicated that projects which support a grantee in providing training or technical assistance to other tribes and Native American organizations are inconsistent with the policies of ANA. Have previous program announcements included this restriction? If so, which ones? Was an opportunity for formal public comment on this provision provided?

A. The program announcement is for financial assistance under Section 803 of the Native American Programs Act. Funding for Technical Assistance and Training is specifically authorized under Section 804 of the Act, and is otherwise announced when funds are appropriated by Congress. Since this restriction is a matter of law, no public comment was necessary.

*Q.* Please provide information showing the relative distribution and amounts of grants to federally recognized, rural non-federally recognized, and urban grantees since the implementation of the SEDS policy.

A. The attached chart show the distribution of the Administration for Native Americans funds for all categories of grantees since Fiscal Year 1981, when the SEDS approach was implemented (See Attachment 2).

*Q.* Please explain the appeals process for unsuccessful applicants. Are new applicants treated differently than continuation applicants? If so, why?

A. The Administration for Native Americans regulations (Section 1336.52) specify the appeals procedure. Grantees whose financial assistance has been suspended or terminated, or whose non-competing continuation applications for refunding have been denied, may appeal to the Department Grant Appeals Board, an independent tribunal, using procedures published in 45 CFR 74.110–74.116.

New applicants may not appeal a decision not to fund. The Administration for Native Americans is a discretionary program, which reviews large numbers of applications, of which relatively few are funded. An appeals procedure for unsuccessful applicants would cause substantial delays in funding successful applicants since funds would have to be held in abeyance until appeals by a potentially significant number of applicants were resolved. In addition to the funding delays for applicants, this would create an enormous administrative burden on the program. Congress, in recognition of these consequences, has never imposed on appeals process for new applicants on the program.

Administration for Native Americans program announcements currently call for multiple closing dates, which permit unsuccessful applicants to re-apply, with the

possibility of receiving a grant in a much shorter time frame than normally would be the case even if an appeal were successful, and without the legal costs usually attendant upon an appeal.

*Q.* For what type of assistance are for-profit organizations eligible? In fiscal year 1984 and 1985, how many for-profit organizations applied for assistance and how many of these were funded? On what provision of the law is the regulation providing eligibility to for-profit organizations based?

A. For-profit organizations are not eligible for financial assistance grants. This restriction is contained in Section 803 of The Native Americans Programs Act of 1974. Such organizations are eligible only under Section 804 of the Act, dealing with Technical Assistance and Training, and Section 805, dealing with Research, Demonstration, and Pilot Projects.

*Q.* What type of assistance, if any, do you provide to unsuccessful applicants to promote better quality proposals?

A. Unsuccessful applicants are provided with: 1) information about re-applying for a grant; 2) an analysis of the strengths and weakenesses of their application; 3) suggestions for improving the quality of the application; 4) the name of a senior staff member who can provide them with further de-briefings, if desired.

ATTACHMENT 2—ADMINISTRATION FOR NATIVE AMERICANS—FINANCIAL ASSISTANCE GRANTS

[Dollar amounts in thousands]

| | Fiscal year 1981 | | Fiscal year 1982 | | Fiscal year 1983 | | Fiscal year 1984 | |
|---|---|---|---|---|---|---|---|---|
| | Number of grants | Amount | Number | Amount | Number | Amount | Number | Amount |
| 1. Federally recognized: | | | | | | | | |
| A. Tribes | 96 | $15,245 | 75 | $12,193 | 79 | $14,684 | 111 | $12,936 |
| B. Alaska | 10 | 1,290 | 11 | 1,424 | 11 | 710 | 15 | 1,481 |
| C. Native Americans served through Consortia arrangements | 12 | 2,550 | 7 | 956 | 4 | 806 | 5 | 995 |
| 2. Nonfederally recognized: | | | | | | | | |
| A. Tribes | 26 | 1,129 | 31 | 1,109 | 12 | 1,011 | 23 | 1,693 |
| B. Urban | 56 | 4,730 | 28 | 4,178 | 35 | 3,614 | 43 | 4,137 |
| C. Rural | 9 | 572 | 4 | 483 | 2 | 109 | 2 | 198 |
| D. Native Americans served through Consortia arrangements | 4 | 921 | 2 | 604 | 1 | 445 | 6 | 835 |
| 3. Native Hawaiians | 2 | 1,755 | 2 | 971 | 2 | 1,053 | 5 | 1,170 |
| 4. Special | 7 | 2,371 | 13 | 4,382 | 18 | 3,868 | 2 | 3,855 |
| Total | 222 | 30,073 | 173 | 26,300 | 164 | 26,300 | 212 | 27,300 |

THE INDIAN DEVELOPMENT DISTRICT OF ARIZONA,
*Phoenix, AZ, September 10, 1985.*

Congressman DALE KILDEE,
*Chairman on Committee on Labor and Education,*
*House of Representatives, Washington, DC.*

DEAR CONGRESSMAN KILDEE: The Indian Development District of Arizona, Inc., of Phoenix, Arizona would like to submit testimony for presentation at the Hearing on the Administration for Native Americans to be held on September 12, 1985. Our testimony is hereby submitted with this letter.

We appreciate the opportunity to express our views on this matter. I would be happy to answer any questions which you may have regarding the testimony at your convience. For further information, please contact me.

Thank you for your consideration in this matter.

Sincerely,

GRACE MCCULLAH,
*Executive Director.*

THE NAVAJO NATION,
*Window Rock, Navajo Nation, AZ, September 17, 1985.*

Attention: Susan A. Wilhelm Staff Director Committee on Education and Labor.

DALE E. KILDEE,
*Chairman, Subcommittee on Human Resources,*
*U.S. House of Representatives, Cannon House Office Building, Washington, DC.*

DEAR CHAIRMAN KILDEE: On behalf of the Navajo Nation which represents a sizeable segment, approximately 25%, of the Native American population, I wish to convey to you the urgent necessity of reauthorizing the Administration for Native Americans (ANA). ANA, since its inception in 1982, has demonstrated its important role in helping all tribes achieve a degree of economic self-sufficieny.

ANA's uniqueness, unlike other federal agencies, lies in its flexibility to meet a variety of tribally-initiated governance and econonic development activities that enhance tribal self-sufficiency. This feature has unquestionably proven to be most productive in terms of the economic returns made by both large and small tribes in developing their business sectors and improving their capacity to govern.

We hereby submit this letter of support to the Committee on Education and Labor's Subcommittee on Human Resources on the reauthorization of the Administration for Native Americans (ANA). We express our gratitude to the Committee for sponsoring the ANA hearings early enough to allow for Indian input on H.R. 3247. Should you have any questions, please do not hesitate to call our Washington Office at 775–0393 or myself at 602/871–6352.

Sincerely,

PETERSON ZAH,
*Chairman, Navajo Tribal Council.*

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DEPARTMENT OF HEALTH AND HUMAN SERVICES,
*Washington, DC, September 27, 1985.*

Hon. DALE E. KILDEE,
*Chairman, Subcommittee on Human Resources, Committee on Education and Labor,*
*House of Representatives, Washington, DC.*

DEAR MR. KILDEE: The purpose of this letter is to express by concern about an obvious misunderstanding related to your hearing on September 12, 1985 on the Native American Programs Act. I understand that scheduled witness was unable to appear, and in your opening statement you stated that Commissioner William Lynn Engles of the Administration for Native Americans has attempted to interfere with the operations of Congress by trying to "gag" a witness invited to appear before the Subcommittee.

In fact, Commissioner Engles and his staff were following the mandates of the Congress. Section 509 of Public Law 98–619, the appropriations bill for Fiscal Year 1985, specifically states that "No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to activity designed to influence legislation or appropriations pending before the Congress." The statutory language does not give an exception for use of grant funds when grantees have been invited to appear before the Congress.

We have checked the facts of this specific situation and they are as follows. A representative of the Genessee Valley Indian Center, a current grantee of the Administration for Native Americans (ANA), contacted the staff of ANA in early September and inquired whether the Center could submit a modification to their grant budget in order to use ANA funds to testify at the reauthorization hearing. The Center was informed, as routine policy, that grant funds cannot be used for that purpose. The grantee was not told not to testify, but simply told that ANA funds could not be used.

Commissioner Engles would not under any circumstances attempt to "gag" a witness. Therefore, given the very public nature of your statement, I would like to ask that before the hearing record is closed, this letter and any clarification you might wish to provide be added to the record to ensure that it is complete and fair to Commissioner Engles.

The Subcommittee on Human Resources has jurisdiction over several major programs in the Office of Human Development Services, and Commissioner Engles and I want to work closely and cooperatively with you and your staff in the months

ahead. I regret that this unfortunate incident has occurred and look forward to its resolution so that we may continue the important work that we have ahead of us.

Sincerely,

DORCAS R. HARDY,
*Assistant Secretary for Human Development Services.*

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CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, October 17, 1985.*

Hon. DALE E. KILDEE,
*Chairman, Subcommittee on Human Resources, Committee on Education and Labor, Cannon House of Office Building, Washington, DC.*

DEAR DALE: This is to acknowledge receipt of your letter of October 15, together with the copy of the letter that you received from the Assistant Secretary for Human Development Services, Dorcas R. Hardy.

I have carefully noted the contents of both letters and I have my doubts that the provision which we incorporated in our appropriations bill some four or five years ago applies to the care described in the two letters.

The provision we placed in our bill was necessary at the time due to the fact that one of the other agencies clearly was violating the intent of all provisions of the law concerning the use of funds for testimony, eulogizing and urging additional appropriations for the particular agency involved. We decided at that time that the language which the Assistant Secretary cites in her letter was necessary.

Again, I have my doubts that this language applies at all to the case that you describe in your letter.

With cordial good wishes, I am

Sincerely yours,

WILLIAM H. NATCHER, M.C.

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PREPARED STATEMENT OF THE INDIAN DEVELOPMENT DISTRICT OF ARIZONA, INC.

The Indian Development District of Arizona, Inc., (IDDA), a consortium of eleven Arizona and California Indian tribes, wishes to express its concern over the reauthorization of the Administration for Native Americans (ANA). Our concerns are directly related to the policy-making and program management of the current administration of ANA.

For the past three years, IDDA has successfully competed for a total of $296,028 of ANA funds to implement nineteen (19) social, economic, and governance development projects on the Mohave-Apache; Kaibab-Paiute; Tonto Apache; Yavapai-Apache; and Yavapai-Prescott Indian reservations in Arizona. On behalf of these participating tribes and other IDDA member tribes, we have prepared this summary for the members of the United States House of Representatives.

The mission of ANA, mandated by the Native American Programs Act of 1974, is to promote the economic and social self-sufficiency of Native Americans. To achieve this mission, ANA established the following three purposes:

(1) Governance development: To help develop or strengthen tribal governments and Native American institutions and local leadership to assure local control and decision making over community resources;

(2) Economic development: To foster the development of stable, diversified local economies and activities which provide jobs, promote economic well-being, and reduce dependency on human services programs; and

(3) Social development: To support local access to, and coordination of, services and programs which safeguard the health and well-being of people, and which are essential to a thriving self-sufficient community.

IDDA has been instrumental in assisting its member tribes in the development and implementation of social and economic development strategies (SEDS) which parallels the above listed ANA's three-fold objectives. Therefore, it is out belief that federal funds from this agency are needed to continue to provide essential technical planning assistance in social and economic development.

Since most IDDA member tribes are small in population and land mass, the benefits and intent of various state and federal legislation for economic development and self-sufficiency would have very little impact if each member tribe stood alone. But with the combination of effort, as a consortium, the eleven tribes strengthened their position to acquire technical assistance and administrative capabilities to implement

a variety of projects and grant programs designed for planning and development of its resources. Thus, it's imperative for IDDA to prepare competitive applications to secure funds for social and economic development projects on the reservations regardless the size of the competition.

During the Fiscal Year 1985, IDDA has encountered problems with the current administration of ANA. These problems are as follows:

(1) Inconsistencies in policy-making (e.g. types of fundable projects);
(2) Lack of proper management regarding the debriefing process; and
(3) Lack of and/or miscommunication with the regional Program Director.

A combination of these deficiencies repeatedly performed during the past program year has initiated our testimonial report which also requests policy changes in the administration to ensure proper program management. We feel that the purposes of ANA addresses the needs of the social and economic development on the Indian reservations and should be reauthorized. As recipient of ANA grants, we request that the above deficiencies be corrected upon reauthorization of the Administration for Native Americans.